

## 5. Invest Strategically in Transportation

The transportation network is one of our region's most important assets, moving people and goods to and from jobs, markets, and recreation. While this advanced system of highways, trains, and buses retains an excellent national and global reputation, it is aging quickly and losing stride with 21st Century needs. Our transportation infrastructure is key to the region's prosperity, yet it has fallen behind other industrialized parts of the world, many of which have invested significantly to create and preserve modern, world-class systems.

Symptoms of decline include the dehumanizing effects of ever-worsening traffic congestion, painful cuts to public transit, a backlog of deferred maintenance on roads and bridges, and antiquated buses, trains, and stations. Inadequate investment in transportation infrastructure is partly to blame. But ballooning costs, inefficient investment decisions, and a lack of consensus about priorities are at least equally at fault, and maybe more so.

CMAP urges the federal government, the State of Illinois, transit agencies, and local governments to develop innovative financing to support a world-class transportation system for this new century. The "costs of congestion" are real and serious, and include lost time and fuel, decreased productivity, inefficient freight movements, and pollution. Transportation user fees should reflect these costs more than they currently do. Certain revenue sources like the federal and state gas tax should be bolstered to bring a halt to continual declines in their purchasing power. At the same time, as vehicles become more fuel-efficient over time, alternatives to traditional financing mechanisms should be explored.

Regarding expenditures, funds for transportation need to be allocated more wisely, using performance-driven criteria rather than arbitrary formulas. Transportation implementers should prioritize efforts to maintain, enhance, and modernize the existing system. Expensive new capacity projects should be built only if they yield benefits that outweigh their costs. Examples of enhancements and modernizations that should be pursued include more attractive and comfortable buses and trains that improve the passenger experience, better traveler information systems, targeted transit extensions and arterial improvements, and multimodal approaches such as integrating bicycling and pedestrian accommodations in roadway design,

CMAP recommends changing how transportation is funded by:

- **Creating cost and investment efficiencies.** To prioritize spending on system preservation, modernization, and (to a lesser extent) expansion, project evaluation criteria should be improved, including quantitative models to predict impacts. Performance criteria should guide how funds are allocated by the federal and state governments and how they are programmed locally and regionally. Allocations should be based on need, including a reassessment of the non-statutory but

entrenched State of Illinois split that sends 55 percent of road funding downstate and 45 percent to northeastern Illinois.

- **Implementing congestion pricing.** Applying supply-and-demand economic principles can reduce congestion by providing an incentive for some drivers to alter their travel behavior. Near-term implementation of congestion pricing on various parts of the transportation network will enhance mobility and also help to fund needed improvements.
- **Implementing pricing for parking.** “Free” parking perpetuates automobile dependency, increases congestion, and leads to economic inefficiencies. The true costs of parking construction and maintenance are passed along to taxpayers. Pricing and related strategies can manage demand, promote efficient use of parking, and help to fund needed improvements, particularly around existing commuter and transit rail stations.
- **Increasing motor fuel taxes (and indexing them to inflation) in the short term.** As primary sources of transportation funding, the levels of federal and state motor fuel taxes (MFTs) have not been sufficient to fund maintenance, operations, and capital improvements. Until a replacement for this source is identified, MFT rates need to be increased in the near term. The State of Illinois should increase the existing 19 cents per gallon MFT by 8 cents and index it to keep pace with inflation. The federal gas tax should also be raised and indexed to inflation.
- **Instituting a replacement for motor fuel taxes in the long term.** MFTs will likely need to be replaced within 20 years as vehicles switch to alternative energy sources. One “pay as you drive” strategy is to fund transportation through fees based on vehicle miles traveled (VMT). If implemented carefully, VMTs would be a more efficient user fee than MFTs, which do not require all users to bear the full costs of their road use.
- **Pursuing public-private partnerships as appropriate.** Among various public private partnership (PPP) strategies, each has its pros and cons, and some can be extremely complicated and costly to enact. CMAP recommends particular consideration of the “design-build,” which has been used elsewhere to reduce costs and drastically shorten the duration of project development and construction. The focus of PPPs should be on funding transportation system improvements, not on generating revenue for non-transportation purposes by leasing or privatizing transportation assets. At present, while cities and municipalities are able to execute PPPs, the State of Illinois has no such general enabling legislation.

CMAP’s *GO TO 2040* recommendations address on-going fiscal shortfalls and economic inefficiencies of the current system. These changes are vitally important to improve the economic growth, the fiscal efficiency, and the safety and security of our region’s transportation system.

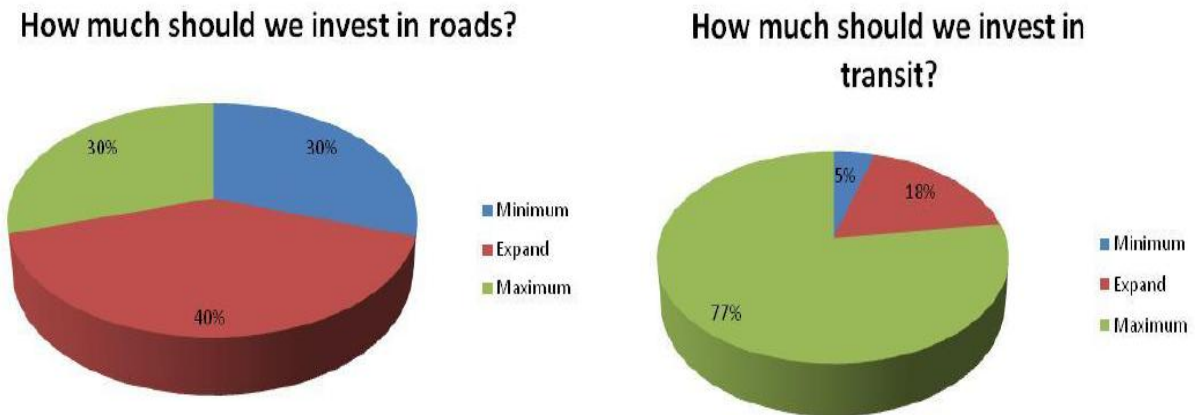
This section describes benefits in detail, in addition to summarizing current conditions such as the sources of revenue, the costs of operations and maintenance, the mechanisms for allocating federal and state funds, the regional role in financing, and the potential for innovative approaches. The section explores how to measure the success of transportation finance by gauging the system's condition (including roads, transit, and bridges) and by calculating congestion trends (including vehicle hours traveled, or VHT). This section also explains the details of cost and financing in the context of federal requirements for prioritizing transportation investments.

Finally, the region needs to unite around its transportation priorities, particularly regarding the construction of major capital projects recommended in *GO TO 2040*, which have been carefully evaluated to improve operations, access, mobility, and economic opportunity. The “fiscally constrained” major capital projects, as required by federal regulations, have the highest priority to move toward completion. The projects that our region should pursue between now and 2040 are described in this section.

## **5.1 *Benefits***

Residents in northeastern Illinois want more focused investment in transportation infrastructure. About 95 percent favor expanding or maximizing funding for transit improvements, while 70 percent favor expanding or maximizing funding for road improvements (see **Figure 1**).

Figure 1. Preferences of amount and allocation of transportation investment



Source: CMAP GO TO 2040 "Invent the Future" participants, 2009

As indicated by this clear public support for increased levels of investment and improved service, investments in transportation infrastructure have numerous important benefits, described below.

### **Economic**

Infrastructure investment yields economic returns via short-term job creation but also via long-term economic productivity, largely by reducing the costs of congestion and making the region more attractive to businesses and residents. In the short term, transportation projects -- whether maintenance projects, service enhancements, or capital expansions -- require engineers, construction workers, and other labor. This employment then supports additional workers in retail, health care, entertainment, and other local service industries. Transportation infrastructure stimulates the economy, which is why the recent American Recovery and Reinvestment Act of 2009 (ARRA) placed such a high priority on "shovel-ready" projects to create and retain direct, on-project jobs in the short run. Recent analysis estimates that every billion dollars in ARRA highway spending created or retained roughly 8,781 direct, on-project job-months, and nearly twice that amount for transit projects.<sup>1</sup>

While short-term job creation is an important goal particularly during economic downturns, wise investment in transportation infrastructure yields significant benefits for years to come. Careful targeting of investments is key to long-term economic vitality. Transportation infrastructure investments, including implementation of strategies to reduce congestion, increase the efficient movement of goods and people. Economic benefits include:

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<sup>1</sup> Center for Neighborhood Technology, Smart Growth America, and U.S. Public Interest Research Group, "What We Learned From the Stimulus," January 5, 2010. This analysis compares stimulus funds spent on public transportation and highway infrastructure. Surface Transportation Program funds are used as the unit of analysis for highway spending. Transit is found to create or retain more direct jobs per dollar spent because the systems tend to spend less money on land acquisition, be more complex, and buy and maintain vehicles.

- Improved attraction and retention of businesses and skilled, innovative workers, who value a well-functioning transportation system.
- Greater efficiency of freight movement which can enhance just-in-time inventory management.
- Increased worker productivity due to fewer hours spent stuck in congestion.
- Other positive effects on quality of life such as environmental benefits and enhanced access to jobs, education and medical care, and cultural and social interactions.

The need for increased transportation infrastructure investment is supported by empirical research, which demonstrates clear linkages between such investments and long-term economic impacts that last beyond the construction period. A \$2 billion investment in transportation infrastructure is estimated to result in a **\$2.2 billion** (a benefit to investment **ratio of 1.1**) in long-term economic output from nine different sectors of the economy, particularly the sectors of services, trade, and nondurable goods. This number does not include short-term economic impacts of construction. The impacts are driven by efficiencies in the commercial trucking industry and reductions in commuting times.<sup>2</sup>

Long-term economic productivity increases further when transportation investments are more targeted. CMAP's analysis of the economic impacts of *GO TO 2040*'s recommended major capital projects estimates a **\$13.3 billion** increase in long-term economic activity (as measured by Gross Regional Product) from a public-sector expenditure of \$10.5 billion. This produces a benefit-to-investment **ratio of 1.26**, larger than the 1.1 shown previously because the major regional plan's capital projects are highly targeted and were selected using a range of evaluation criteria. Reducing the various costs of traffic congestion is what drives these positive economic impacts. They include not only decreased pollution, shipping costs, and time delays, but also increased productivity. These costs due to congestion are serious -- one recent study estimates our regional "costs of congestion" at \$7.3 billion annually.<sup>3</sup> Investments must be carefully targeted toward congestion reduction and other closely related performance outcomes. Building expensive new projects in inefficient locations will not make an appreciable dent in these figures. Transportation projects, especially expansion projects, must be judged against their long-term economic impacts.

Achieving a modern, well-functioning system of roads and public transit simply makes good economic sense in light of our region's long-term goal to remain a vibrant and vital global destination. Surveys consistently indicate that businesses want good infrastructure systems,

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<sup>2</sup> *GO TO 2040* Infrastructure including Telecommunications Strategy Report, 2009. See <http://www.goto2040.org/infrastructure/>. Impacts on output and income include both "direct" and "indirect" impacts. The impacts were calculated with the Chicago Regional Economic Impact Model, developed by the Regional Economics Applications Laboratory of the University of Illinois at Urbana-Champaign.

<sup>3</sup> Metropolitan Planning Council, "Moving at the Speed of Congestion," August 2008.

including rapid access to airports and efficient movement of goods. Residents want a more modern, world-class system for many similar reasons. The region should strive toward fostering an environment to attract residents who will create innovative new technologies and industries -- one where ease of mobility is ensured and where car ownership is not a requirement for living, working, and recreation.

### ***Household and Public Cost Savings***

Transportation outlays by the public sector are large, to the point that they can be difficult to comprehend. From 2011 to 2040, CMAP estimates that the region will accrue about \$385 billion in core and reasonably expected transportation revenues for operating and capital from federal, state, and local sources. This \$385 billion figure is calculated in “year of expenditure,” which includes the effects of inflation and other forecasted increases due to population and economic growth. Transportation typically composes the largest domestic discretionary spending program by the federal government,<sup>4</sup> yet these federal revenues make up less than one-fifth of the transportation expenditures in the region. The dollars are large, in large part, because the system is simply massive -- northeastern Illinois is home to 3,233 lane miles of expressway, 18,719 lane miles of arterial and collector roads, 35,856 lane miles of local roads, nearly 1,500 miles of passenger rail track, over 5,000 vehicles of rolling stock (i.e., all powered and unpowered rail vehicles such as locomotives, railroad cars, coaches, and wagons), 311 interchanges, 3,281 bridges, and 7,732 traffic signals.

Simply increasing investment, without goals or indicators of success, is obviously not the answer. The region can save money in the long term by making smarter investments focused on maintenance, modernization, and enhancements to mobility and access, compared to expensive major new expansions that prove costly to maintain and operate. Furthermore, making users assume more of the costs of their infrastructure use (e.g., through congestion pricing or parking pricing) will also save the public sector money. The Federal Highway Administration (FHWA) has estimated that congestion pricing could cut annual investment in transportation infrastructure by 28 percent.<sup>5</sup>

Furthermore, targeted strategic enhancements that emphasize multimodal approaches like transit improvements or bicycling and pedestrian accommodations can save households money. These modes of travel are less expensive for an individual than owning and maintaining an automobile. One study estimates the average savings of commuting by transit instead of by car at over \$11,000 per year in the metropolitan Chicago area.<sup>6</sup> Furthermore, other types of cost

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<sup>4</sup> FY 2011 Budget of the U.S. Government, Table 8.7 -- Outlays for Discretionary Programs: 1962-2015.

<sup>5</sup> Federal Highway Administration of the U.S. Department of Transportation, “2006 Status of the Nation’s Highways, Bridges and Transit: Conditions and Performance,” January 2007.

<sup>6</sup> American Public Transportation Association, “Riding Public Transit Saves Individuals \$9,242 Annually,” media advisory, January 12, 2010. See <http://tinyurl.com/yznlg5a>.

savings, such as reductions in health care costs, have been found to be associated with investments in more active forms of transportation like bicycling and walking.<sup>7</sup>

### ***Safety and Security***

The maintenance and operation of a safe and adequate system are of paramount importance to all transportation implementers. Over 1,000 fatalities occur on Illinois roadways each year. Safety is not something that can be “traded off” within the regional planning process -- available funds are allocated first to maintaining the system at a safe and adequate level before other projects involving modernization, enhancements, or major capital projects are considered. At the same time, investments that modernize the system and bring roads and transit toward a “state of good repair” can only help in making the transportation system safe and secure for all users.

## ***5.2 Current Conditions***

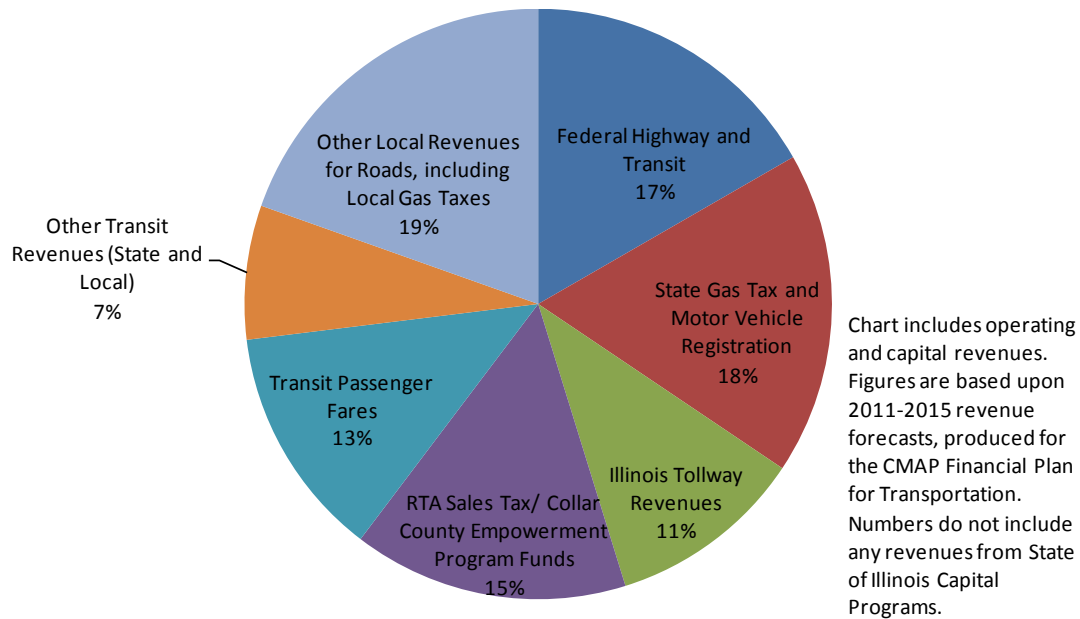
### ***Where Revenues Originate***

The federal government, the State of Illinois, and local governments all play a major role in financing the transportation system of northeastern Illinois. The private sector plays a minimal role, limited to the City of Chicago’s long-term leases of the Chicago Skyway toll road and 36,000 metered parking spots. Public revenues originate in large part from user fees such as gas taxes, transit fares, tolls, and vehicle registrations. However, non user fees, like the sales tax and local tax revenues, also play a major financing role. **Figure 2** reflects the existing conditions, by funding source, for the region’s transportation system.

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<sup>7</sup> Gotschi, Thomas, PhD. “Cost-effectiveness of Bicycle Infrastructure and Promotion to Increase Physical Activity.” [http://www.activelivingresearch.org/files/ALR2010Conf\\_PlenaryAbstract\\_Gotschi.pdf](http://www.activelivingresearch.org/files/ALR2010Conf_PlenaryAbstract_Gotschi.pdf). Accessed 7/29/2010.

**Figure 2. Current transportation revenues by source for northeastern Illinois**



Source: GO TO 2040 Financial Plan for Transportation, 2010

While federal transportation programs arguably receive the most attention from a public policy perspective, the majority of our system is financed by state and local revenues. The amount of funding raised through State of Illinois MFT and vehicle registration fees is about the same as federal revenues received for both the highway and transit programs. The two major local sources for funding for our transit system come from passenger fares and the Regional Transportation Authority (RTA) sales tax, equivalent to one cent in Cook County and three-quarter cent in the collar counties, excluding Kendall. One-third of the collar county sales tax (equivalent to one-quarter cent) is disbursed by the State of Illinois to the county governments, and is used for transportation purposes and public safety. This is known as the “Collar County Transportation Empowerment Program.” Kendall County also imposes its own sales tax for transportation, at a rate of one-half cent. Almost one-fifth of total funding for the region comprises “other local revenues for roads.” This includes various revenue sources used for maintaining and reconstructing local roads, such as local and county option gas taxes, and other sources of general revenue, such as property tax, sales tax, and state/local revenue sharing funds from state sales tax, income tax, and other sources.

The majority of transportation revenues flowing to northeastern Illinois are generated by user fees, reflecting expenditures made directly by users for using the transportation system. User fees, such as federal highway and transit revenues (financed through the federal gas tax), state and local gas taxes and vehicle registration fees, tollway revenues, and transit passenger fares, comprise roughly three-fifths of the region’s transportation revenues. “Non user fees” reflect other tax revenues that, while generated for the purposes of funding transportation, do not accrue based on any direct transaction for the privilege of using the system. Non-user fees include the RTA sales tax, and other state and local revenues used for transit or local road maintenance.

The *GO TO 2040* Financial Plan for Transportation estimates that the region will receive just over \$385 billion in revenues between 2011 and 2040. Over 90 percent of these revenues are considered “core revenues,” based on historical trends and no major changes to tax rates or funding formulas. This figure is a “year of expenditure” figure, factoring in inflationary and other revenue increases due to population growth. While \$385 billion is certainly a large amount, CMAP’s analysis of needed expenditures shows that relying solely on these revenues would not result in much progress toward addressing the substantial transportation needs of individuals and businesses across the region.<sup>8</sup>

### ***Costs of Operating and Maintaining the System***

At present, existing revenues appear sufficient over the long term to operate and maintain our present system roughly at the level it is today, but not accomplish much more. The implication is a “bare bones” level of service which will not allow the region to make much additional progress in bringing the system toward a state of good repair, or modernizing or expanding the system to the level demanded by our residents and businesses. Furthermore, maintenance to this “safe and adequate” level requires conservative assumptions, particularly regarding the future growth in operating and capital costs. Large jumps in these costs will continue to result in an added maintenance backlog and an inability to keep the operating service at present levels. The reality is that our revenues are drastically insufficient for minimizing maintenance backlogs, enhancing, modernizing, or expanding the system beyond what we have today.

CMAP analysis estimates that of the \$385 billion<sup>9</sup> estimated to be available between 2011-2040, \$333 billion (86 percent of this total) will be needed to simply operate and maintain our system of highways (including local roads) and transit at a safe and adequate level out to the year 2040. This leaves only 14 percent of revenues to scale up existing maintenance cycles, enhance or modernize the system, or construct new major capital projects.<sup>10</sup>

Recent trends showing rapidly increasing transportation costs are worrisome, on both the capital and operating sides. Until 2002, construction costs (measured by the Engineering News Record construction cost index) mostly followed general inflation trends, as measured by the consumer price index. Since then, construction costs have significantly outpaced inflation. Economists believe this dynamic has been caused largely by volatility in global prices of steel and oil (which drives asphalt prices to a large extent). Other analyses of construction costs that

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<sup>8</sup> More details on assumptions and historical trends are included in the *GO TO 2040* Financial Plan for Transportation.

<sup>9</sup> The \$385 billion includes \$350 billion in core revenues (estimates of the revenues the region receives today) plus an additional \$35 billion in “reasonably expected revenues” which include a gas tax increase, the institution of congestion pricing, and other financing strategies.

<sup>10</sup> *GO TO 2040* Financial Plan for Transportation. See [http://cmap.illinois.gov/financial\\_plan\\_transportation/](http://cmap.illinois.gov/financial_plan_transportation/).

focus on primary transportation inputs, like asphalt, steel, concrete, and the cost of labor and equipment, actually find that these costs are even outpacing construction costs as a whole.<sup>11</sup>

Operating costs, which are driven largely by workforce but also by inputs like fuel and security costs, have also shown large increases, particularly in recent years. Over two-thirds of transportation “operating expenditures” comprise costs related to operating public transit, which includes the labor, fuel, and other related costs of operating and maintaining the region’s large system of trains and buses. Over the last 15 years, the transit service boards have often experienced large annual operating cost increases, on the average of 4.5 percent but reaching as high as nine percent.<sup>12</sup> While some inputs like fuel prices will remain volatile and susceptible to wild fluctuations in the future, it is crucially important to note that few revenue sources promise to yield annual growth rates at these levels. As a result, this region will continue to experience transit funding crises and cuts in service unless a better solution for controlling operating costs is found. While it is vital to focus on revenues, particularly those sources that have been declining in their purchasing power, protecting against skyrocketing operating costs is absolutely crucial for maintaining the integrity of the transit system over the long term.<sup>13</sup>

### **Federal and State Gas Taxes**

The rising cost of construction and operations, coupled with inflation, has significantly undercut the purchasing power of federal and state MFT receipts. The federal Highway Trust Fund (HTF), which funds various programs for both highways and transit, is currently supported by an 18.4 cent per gallon gas tax which was last increased in 1993. The tax accumulates in the Highway Account (15.5 cents), the Mass Transit Account (2.8 cents), and the relatively small Leaking Underground Storage Tank Trust Fund. The National Surface Transportation Infrastructure and Finance Commission calculates that the actual purchasing power of the federal gasoline tax has declined by 33 percent since 1993.<sup>14</sup> In 2008, 2009 and 2010, Congress has supplemented the HTF with general funds to keep it solvent.

In Illinois the two major sources for state transportation revenues are the MFT and motor vehicle registration fees. These revenues are used primarily for road maintenance and construction. The State MFT has a current rate of 19 cents per gallon plus an additional 2.5 cents per gallon for diesel. The State MFT was last increased in 1991. After a variety of deductions, 45.6 percent of the MFT revenues allocate to the Illinois Department of Transportation’s (IDOT) Road Fund and State Construction Fund, and the remaining 54.4 percent allocate to local governments. Similar to the federal gas tax, the state’s gas tax revenues

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<sup>11</sup> Kumudu Gunasekera and Brad Ship, “Construction Economic Review and Highway Cost Escalation Forecast,” *Economic Forecasting Review* 3(2); December 2009.

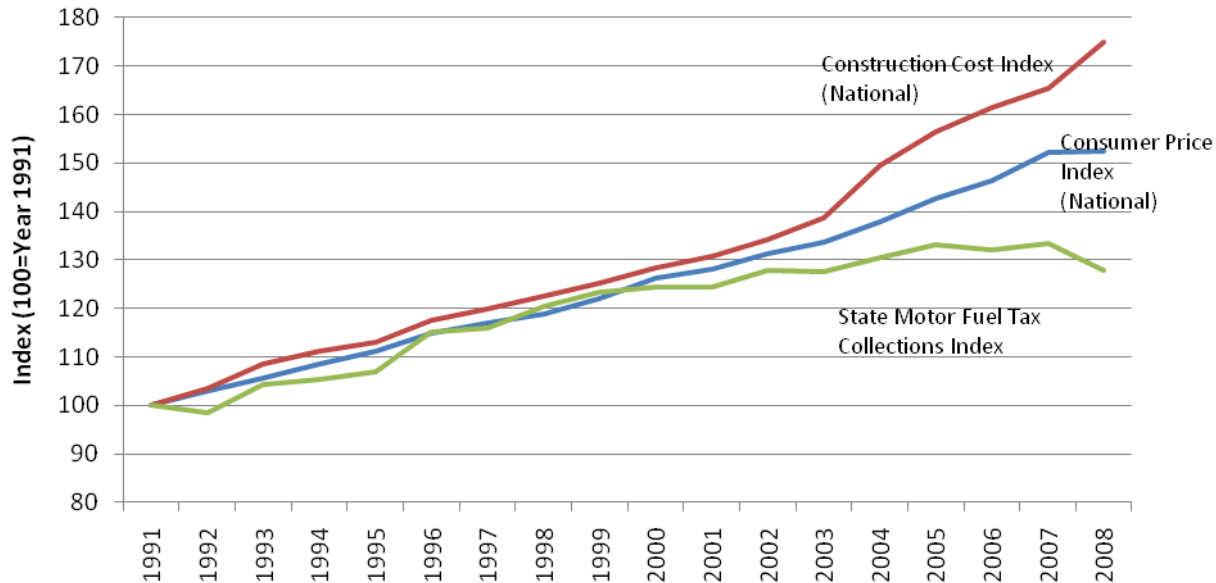
<sup>12</sup> Based on Regional Transit Authority annual reports, 1992-2008.

<sup>13</sup> For more discussion on this topic, see the *GO TO 2040* section Increase Commitment to Public Transit.

<sup>14</sup> National Surface Transportation Infrastructure Finance Commission, “Paying Our Way: A New Framework for Transportation Finance,” February 26, 2009.

have greatly declined in their purchasing power. **Figure 3** shows how inflation and construction costs have outpaced state MFTs since 1991.

**Figure 3. State motor fuel tax revenues relative to inflation and construction costs, 1991-2008**



*The 19-cent-per-gallon State Motor Fuel Tax has not been changed since 1990. MFT, CPI, and CCI indices are set to 100 for the year 1991.*

*Source: Illinois Department of Transportation, Engineering News-Record, Bureau of Labor Statistics*

Motor vehicle registration fees vary according to vehicle type and weight. Unlike State MFT, these revenues are not shared with local governments by formula. They accrue directly to the State Road Fund and Construction Accounts. State of Illinois motor vehicle registrations have been raised several times in recent years. The most recent increase occurred in July 2009, which raised the annual auto license plate fees from \$78 to \$98. However, this recent increase in motor vehicle title, license plate, and drivers' license fees is scheduled to be used for debt service on the 20-year bonds for the state's most recent capital bill, *Illinois Jobs Now*. The fee increases will accrue in a new capital project fund, which will provide revenues for both transportation and non-transportation projects, such as schools and state buildings.

### **State Capital Program Funding**

Roughly once every 10 years, the State of Illinois provides a state capital funding package for transportation and other infrastructure projects. The most recent packages, enacted in April and July 2009, provide over \$9.5 billion in bonds for state and local roads, transit, high speed rail, the Chicago Region Environmental and Transportation Efficiency Program (CREATE) freight initiative, and airports. The bonds must be paid down through debt service from existing and new funds, including the General Revenue Fund, Road Fund, and new "Capital Projects Fund," which is to be financed through increased motor vehicle fees, video gaming, lottery, and other sources.

Highway and transit implementers depend upon the large outlays provided through the state capital program to supplement other revenues received through federal, state, and local sources. Besides the fact that the state capital program monies are insufficient for bringing the system to a state of good repair, the program's time horizon (typically once every 10 years, to last a period of five years), financing mechanisms, and project selection criteria deserve brief mention.

First, the time horizon for the program is a clear admission that we are not adequately funding our system at the necessary level on a regular basis. It would make more sense to raise adequate revenues on a continual basis, rather than rely on the state legislature for "boom and bust style" fixes, which also can create economic distortions within the construction industry. Second, capital programs are typically financed almost entirely through bonds, which require long term debt servicing to fund a five year program. While bonding remains a perfectly practical way to finance certain capital improvements, overreliance on the practice can put an undue burden on future generations. While "pay-as-you-use" bond financing reflects the future benefits from today's capital expenditures, this practice should be balanced by "pay-as-you-go" financing, which reflects fiscal prudence and usually necessitates more careful planning and prioritization. Third, the program lacks a transparent project selection process -- projects are generally earmarked rather than based upon a metric of actual need.

### ***Allocation Mechanisms for Federal and State Funds***

The most recent federal transportation act (SAFETEA-LU, Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users), like its predecessors, allocates federal dollars via a multitude of different programs. Most highway funding is allocated to state Departments of Transportation based on formula, which differs by program but typically includes criteria like total lane miles, vehicle miles traveled, and fuel use. IDOT is the primary recipient of the funds and generally holds the most responsibility of programming, financing, and implementation. Some programs or program set-asides are allocated at the discretion of the Secretary of Transportation or by Congressional earmark.<sup>15</sup>

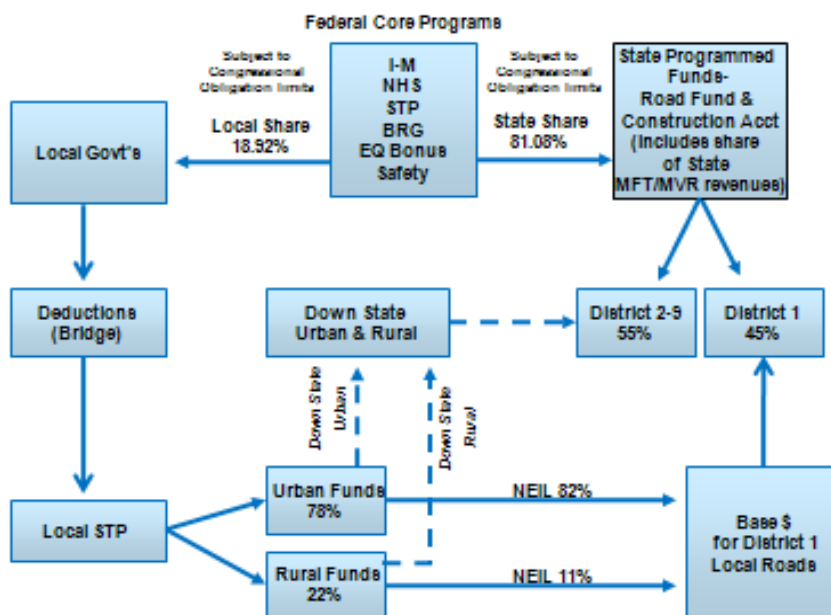
While funds are apportioned out to the states using different metrics, Illinois, like other states, is then given fairly wide latitude in how the different funds are used. States have authority to transfer funds among different programs- for example, Interstate Maintenance (IM) funds or National Highway System (NHS) funds can be transferred to the Surface Transportation Program (STP), which can then be programmed for a variety of transportation purposes, including highway, transit, or bike/pedestrian projects. While this flexibility would allow for allocating this funding based on cost/benefit or other metrics of performance or impact, in practice the federal government requires little accountability from the states in terms of how projects are selected or what outcomes are being achieved.

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<sup>15</sup> For a current list of Federal Highway Administration programs, see <http://tinyurl.com/28tgbw2/>.

In practice, the state chooses a rather arbitrary way of distributing this funding. In northeastern Illinois, this outcome is sometimes referred to as the “55-45” split, where northeastern Illinois (“District 1”) receives 45 percent of the federal and state allocation (including state MFT<sup>16</sup> and vehicle registration revenues deposited in the Road Fund), while downstate Illinois (“Districts 2-9”) receives 55 percent. The complex funding flow is shown in **Figure 4**.

**Figure 4. How IDOT allocates federal and state highway dollars**



Source: Chicago Metropolitan Agency for Planning, 2010

The Federal Transit Administration (FTA) also sponsors a number of grant programs, some allocated by formula and some allocated on a discretionary basis. While upwards of nineteen different programs currently exist,<sup>17</sup> a smaller number of these programs typically provide funds to the RTA and service boards of northeastern Illinois. The major funding programs include Urban Formula (Sec 5307), Fixed Guideways Modernization, Bus and Bus Facilities, and New Starts (Fixed Guideways) (all are Sec 5309 funds).

The discretionary New Starts program provides funds for construction of new fixed guideway systems or extensions to existing fixed guideway systems. The funds are not intended for maintenance or modernization projects. Projects become candidates for funding under this program by successfully completing the appropriate steps in the major capital investment planning and project development process. Funding allocation recommendations are made in an annual report to Congress: *Annual Report on New Starts*. While the statutory match for New Starts funding is 80-percent Federal and 20-percent local, it should be noted that the

<sup>16</sup> State motor fuel tax dollars also have a local allocation. This is not displayed in Figure 34.

<sup>17</sup> For a current list of Federal Transit Administration projects, see <http://tinyurl.com/2hgqsf>.

Congressional Conference Report that accompanied the FY 2002 U.S. DOT Appropriations Act instructs “FTA not to sign any new full funding grant agreements after September 30, 2002, that have a maximum Federal share of higher than 60 percent.”<sup>18</sup> This New Starts criterion differs from highway funding projects, which are funded with a federal share of 90 percent for interstate maintenance and improvements, and 80 percent for most other projects.

### ***The Regional Role in Allocating Transportation Funding***

While most federal highway revenues, state motor vehicle registration revenues, and state MFT revenues flow to the State Road and Construction Accounts, some funds devolve project selection authority to CMAP (the region’s metropolitan planning organization [MPO]) or to the Subregional Councils of Mayors. The Local STP is administered through CMAP and IDOT.<sup>19</sup> Each of the 11 subregional councils and the City of Chicago receive individual funding and each council has a self determined methodology for selecting the most beneficial projects.<sup>20</sup> CMAP also manages and monitors the federal Congestion Mitigation and Air Quality Improvement (CMAQ) program through the CMAQ Project Selection Committee, which recommends CMAQ projects in northeastern Illinois.

The CMAP Board and the region’s MPO Policy Committee track the use of local, state, and federal transportation funds through the Transportation Improvement Program (TIP). The purpose of the TIP is to help transportation professionals, service implementers, and planning organizations establish a short-term transportation program to reflect the long-range transportation goals identified in the long range plan. The CMAP Board and MPO Policy Committee<sup>21</sup> retain the ability to judge whether or not the allocation of federal and state monies align with regional priorities. It does this through approval of the TIP, including ongoing changes and amendments to projects within it. Projects supporting the long range plan are included in the TIP. The MPO also can, in theory, disallow the inclusion of projects that fail to support the plan.

### ***Other Innovative Financing***

To date, very little of what might be called “innovative financing,” sources beyond traditional gas taxes, vehicle registration fees, passenger fares, or other taxes, is utilized in northeastern Illinois. One can easily imagine a laundry list of potential possibilities for raising more revenues for transportation. However, only a small number of these options really promise to

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<sup>18</sup> For an overview of the Federal Transit Administration’s New Starts program, see <http://tinyurl.com/23blsgj>.

<sup>19</sup> “Local Surface Transportation Program” (STP) differs from “State STP.” State STP funds are deposited into the Illinois Department of Transportation Road Fund and Construction Account and used primarily for state highway projects.

<sup>20</sup> For more information on work done by CMAP on STP, as well as links to subregional criteria for project selection under this grant program, see <http://www.cmap.illinois.gov/stpresources.aspx>.

<sup>21</sup> The CMAP Board and the MPO Policy Committee are currently operating under a Memorandum of Understanding (last reaffirmed in March 2010). By federal law, the MPO Policy Committee takes final action on all transportation related plans, programs and documents. See <http://tinyurl.com/27bmhfq>.

tackle the problems inherent in the economics of today's transportation system, namely, the large gap between what users of the system pay versus the full cost of what that use entails. While the current average user fee is only a few cents per vehicle mile traveled, one recent study pegs the full cost of using highways (during congested times) as somewhere between 13 and 29 cents per mile.<sup>22</sup> Transportation strategies which better address this "externality" problem -- a chief example of this is the large societal cost due to congestion -- can also raise revenues for additional operating and capital needs on roads and transit. These strategies that truly "kill two birds with one stone" should be prioritized.

Other innovative financing strategies include:

- Congestion Pricing
- Parking Pricing
- Value Capture Strategies and Transit Impact Fees
- Public Private Partnerships
- A Long Term Replacement for Gas Taxes, including VMT Fees

### ***5.3 Indicators and Targets***

The outcomes we want to achieve through increased and smarter investment in the region's transportation infrastructure include a more modern system, one that is moving toward a state of good repair and also maximizing performance to satisfy the demand of residents and businesses. Making smarter, more targeted investments can help move the region toward these goals. Measuring the region's success in changing the current surface transportation system's funding mechanisms can focus on the condition of the existing system and whether or not it is in a state of good repair. Another important measure of success is the degree of congestion on the system.

#### ***Transportation System Condition***

Three separate indicators can be employed to measure the condition of the transportation system. The Regional Indicators Project will track road conditions through the acceptable ride quality index measure and the deficiency rating of bridges. FHWA has defined "acceptable" ride quality as pavement with International Roughness Index (IRI) values of less than or equal to 170. For the purpose of comparison IRI data was collected from FHWA's Highway Performance Monitoring System (HPMS) for the year 2003 and from the Illinois Roadway Information System (IRIS) for the year 2006 for both freeway and principal arterials. The CMAP

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<sup>22</sup> HDR|HLB Decision Economics, Inc., "Road Pricing on a National Scale," prepared for the U.S. Department of Transportation, 2005.

region's freeway route miles have a very high acceptable ride quality rating, while only 62 percent of the principal arterials' route miles are acceptable.

- 2015 Target: 65 percent of principal arterials are acceptable ride quality
- 2040 Target: 90 percent of principal arterials are acceptable ride quality

The region's bridges can be assessed for deficiency based upon FHWA's National Bridge Inventory database. In 2007, 66.5 percent of the region's bridges were rated as "not deficient."

- 2015 Target: 70 percent of bridges found to be in "not deficient" condition
- 2040 Target: 86 percent of bridges found to be in "not deficient" condition

The final indicator will measure the **percentage of transit assets** in good condition. Actions are underway by CMAP, the RTA, and the transit agencies to collect and analyze this data.

## ***Congestion***

The performance of the transportation system can be measured by the congestion of the highway network. Currently, the region experiences approximately 1.8 million congested hours of travel per day. The more efficient land use pattern laid out in *GO TO 2040* and the implementation of targeted improvements, expansions, congestion pricing, and other managed lanes strategies are expected to reduce congestion. *GO TO 2040's* goal is to increase efficiencies in our highway network to the point where we maintain our level of congestion today. This may not seem like an aggressive goal, but with the anticipated population and economic growth, this would be an achievement.

## **5.4 Recommendations**

Achieving the goal of a modern, world class transportation system requires serious action from all levels of government. Estimates of available "core revenues," which consist of current revenue sources trended out over the 2011-2040 planning horizon, will not allow the region to make much progress in addressing our substantial transportation needs given expected population growth. The region should continue to make the case for increased revenues for transportation. Among the many options for raising revenues, the region should prioritize ones that require users to pay an amount closer to their actual cost of using the system, particularly on the highway system, where each additional user imposes congestion costs on others. These types of strategies would both help raise more revenue and also enable the system to operate more efficiently. Congestion pricing and parking pricing mechanisms, along with raising MFTs and indexing them to inflation, would help to address the twin issues of fiscal shortfalls and economic inefficiency of the system. The long-term sustainability of reliance on MFTs for funding transportation should also be addressed.

While finding new revenues is important, the region needs to get more serious about setting priorities for how existing funds are spent, on both the operating and capital side. The region's transportation decision makers should stress the use of performance-driven criteria, rather than arbitrary formulas, when making investment decisions. CMAP strongly recommends a focus on maintaining the existing system first, and using most of our remaining resources to modernize the system. While some expansions are necessary, and these will be recommended in the plan's list of major capital projects, very few of these projects require building brand new facilities from scratch. Instead, the emphasis is on making the existing system operate more efficiently given the amount of funding we can reasonably expect to receive.

These courses of action are broken into five categories: 1) creating cost and investment efficiencies, 2) implementation of congestion pricing, 3) implementation of parking pricing, 4) raising the federal and state gas tax, and 5) other innovative financing options.

### ***Creating Cost and Investment Efficiencies***

Making our system "world class" does not simply require raising taxes or fees for more revenue, nor does it require expanding the system much beyond what is here today. Instead, the primary goal should be to prioritize spending on maintenance and modernization efforts. "Modernization" comprises a range of enhancements, including more comfortable and attractive trains, buses and stations, traveler information systems, accommodations for bicyclists and pedestrians, state of the art pavement materials with longer life spans, signal timing improvements, bus stop improvements, corridor upgrades, and a variety of other strategies that can improve mobility, access, and the reliability of our transportation network. Investments of all types should take a multimodal approach, with consideration for the needs of transit users, bicyclists, and pedestrians.

The process of targeting which elements to improve or expand is not always straightforward. Evaluation criteria and quantitative models for predicting the impact of varying investment scenarios exist today. But the results of these evaluations should be taken more seriously and the decision-making tools should be improved. When making decisions on major projects, the region should make a shift away from stand-alone transportation models and toward integrated models with transportation, land use, and economic components; these can make more robust predictions of regional productivity gains as well as economic externalities like congestion, air pollution, and impact on sensitive natural areas. CMAP and other implementers should continue to refine decision-making criteria, as well as the quantitative models, so that different investment scenarios can be tested against the outcomes we want to achieve. These evaluation criteria should be developed and vetted using a transparent, regional process. As the region's MPO, CMAP must have the ability to ensure that investment decisions are based upon good criteria and align with the regional priorities of the long range plan.

Performance criteria should not only guide the programming of funds, but should also be used to optimize the way transportation funds are allocated, particularly by the federal and state governments. The federal government distributes a multitude of different programs to states using a variety of different criteria, particularly road miles, fuel usage, and VMT. While this may not directly incentivize states to prioritize system expansion rather than maintenance, it does not create a disincentive either. Furthermore, the discretionary federal “New Starts” program for transit funds only expansion projects, not needed maintenance, and local match requirements remain much higher here than for highway projects. Also, FTA rules concerning use of federal funds for engineering of transit projects are stricter than those used by FHWA for roadway projects, and should be changed to allow regions to more easily pursue transit improvements.

While the State of Illinois has a great deal of flexibility in how federal and state funds are used, northeastern Illinois continues to be plagued by a non-statutory funding split which allocates 55 percent of road funding to downstate districts and 45 percent to northeastern Illinois. This split is arbitrary and not based on any metrics of need. Highway and transit funds also continue to be compartmentalized. The main reason for this is the breakdown of different federal funding programs, but it should be remembered that certain programs like the STP enjoy a considerable degree of built-in flexibility in terms of project selection -- both highways and transit can be funded through STP. The STP program, particularly state STP funds, represents one opportunity for making better programming decisions, more in line with the vision of the long range plan.

Lastly, transportation implementers must find ways to control costs on both the capital and operating sides. On the transit side, the recent growth in operations is unsustainable -- there is no available revenue source which can reliably cover the magnitude of recent operating cost increases. No doubt, much of this reality is driven by global economic conditions as well as current labor laws, post 9/11 security requirements, and pensions. However, RTA and the service boards should seek better solutions to this problem. The continuing escalation in the capital cost of construction for both highway and transit also remains of great concern. While the region may be largely powerless over these cost increases, it should be stressed that some innovative arrangements, such as “design-build” PPPs, life cycle costing, and the construction of longer lasting facilities, can consolidate and ease the engineering and construction processes, and keep costs for some major projects more under control.

### ***Implement Congestion Pricing***

Users of the highway system are currently not paying the full cost of their use. Gas taxes, vehicle registration fees, and tolls are used almost exclusively for activities like resurfacing and reconstruction, yet other costs remain unaccounted for. The most serious and visible cost is congestion, which continues to slow the movement of goods and people. Decades of road building and adding lanes to existing facilities have not kept pace with population growth and land use patterns which continue to prioritize the automobile over other modes. Congestion

pricing seeks to apply economic principles of supply and demand to force drivers to internalize the cost of extra congestion they impose on others. The outcome is to reduce congestion to a level where drivers can engage in other activities that, unlike sitting in traffic, prove productive to the regional economy.<sup>23</sup>

No new tax or fee is politically popular, but if metropolitan Chicago is to keep pace with other industrialized and emerging economies around the world, it should implement congestion pricing, in the near term, on various parts of the network. It must be stressed that congestion pricing is based on free market principles -- the outcome of this strategy, when implemented prudently, is more efficient throughput of travel. Transportation experts and economists from across the political spectrum support the institution of congestion pricing. Because congestion pricing has already been implemented in different places around the U.S., our region can and should learn from these experiences.

Two potential, yet related pitfalls to congestion pricing are often raised. The first relates to its potential regressivity (the fees would likely impact low income people more than high income people). The second relates to a lack of clarity over how revenues should be distributed. There can be no doubt that the successful implementation of congestion pricing requires significant buy-in from adjacent local governments, public transportation providers, and low income users. As the policy can make some people better off and some people worse off, highway and transit improvements along the affected corridors can work to ameliorate these potential social equity pitfalls. A portion of the revenues should be used to make transportation improvements, which might be necessary to address the spillover of some traffic onto adjacent arterials. Public transit providers should also receive a portion of the revenues specifically to offer service along the affected corridor, or to improve connections to service in the corridor.

While the implementation of congestion pricing in northeastern Illinois is not unanimously supported, there has been a considerable level of coordination among local transportation agencies in studying its impacts and proposing specific projects to the federal government for implementation dollars. In December 2007, CMAP, in coordination with the Illinois Tollway, IDOT, RTA, and Pace submitted a Congestion Reduction Demonstration proposal to the U.S. DOT. The submittal proposes congestion pricing along the I-90/Jane Addams Memorial Tollway.<sup>24</sup> While the proposal was not selected by U.S. DOT for funding, it demonstrates a regional commitment among both planners and implementing agencies to a careful implementation of congestion pricing.

Furthermore, the Tollway, in partnership with the Metropolitan Planning Council (MPC) and Wilbur Smith Associates (WSA), is in the final stages of a two-year study to develop strategies that will reduce congestion in the region. The study models the impacts of congestion pricing on the Tollway, as well as IDOT expressways, and considers the diversion to local roads. It

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<sup>23</sup> GO TO 2040 Managed Lanes Strategy Report, 2009. See [http://www.goto2040.org/managed\\_lanes/](http://www.goto2040.org/managed_lanes/).

<sup>24</sup> The Congestion Reduction Demonstration proposal is available online, see <http://tinyurl.com/2m2bxu>.

considers a range of scenarios, routes, and configurations to help reach desired goals.<sup>25</sup> Currently, the Tollway uses congestion pricing, to a certain degree, by charging trucks a variable fee depending on the time of day.

### ***Implement Pricing for Parking***

The provision of free parking only serves to perpetuate automobile dependency, increase congestion, and lead to economic inefficiencies. Research indicates that an estimated 99 percent of parking in the U.S. is free,<sup>26</sup> although the true costs of parking (i.e., construction, maintenance, etc.) are passed along to consumers and taxpayers via increased taxes and higher prices for goods and services. Parking management strategies, particularly those using variable pricing, can allow the price of parking to reflect its true market value. Using such market mechanisms has been demonstrated to be quite effective in managing parking demand; in one study, it was found that a one percent increase in parking fees resulted in a 0.3 percent decrease in demand.<sup>27</sup>

Local governments can utilize parking pricing along with other parking management strategies to promote efficient use of existing parking. Examples of parking management strategies include shared parking plans, improved information on availability of parking, and reforming city ordinances to reduce parking requirements for new developments, which are typically designed to accommodate rare peak demand. Revenues generated can assist local governments in the maintenance and management of their existing transportation infrastructure or help improve transit service.

Similar to congestion pricing, the mechanism of “variable pricing” for parking can be used as a demand management tool for congested road facilities, and also raise considerable revenues. Variable parking pricing seeks to apply a free market-inspired pricing system to more efficiently allocate parking supply, with higher prices charged at times and locations of peak demand. Variable pricing has the promise of both effective congestion mitigation and the ability to raise considerable sums for local government.

Northeastern Illinois currently has over 3.2 million off-street commercial and industrial parking spaces in more than 32,000 facilities, close to 95,000 spaces at transit parking lots and millions more in on-street parking spaces. On-street parking, as close to a business as possible, is the most convenient type of parking for potential customers, and keeping these spots available for short-term use should be a high priority. If on-street commercial parking is not managed or priced, commuters, employees, and spillover parkers avoiding fees will use the parking spaces and desired patrons will not have a place to park. Some economists have suggested that

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<sup>25</sup> For more information on the two-year congestion pricing study being conducted by the Illinois Tollway, Metropolitan Planning Council, and Wilbur Smith Associates, see <http://tinyurl.com/25e599o>.

<sup>26</sup> Donald Shoup, “The High Cost of Free Parking,” American Planning Association, 2005.

<sup>27</sup> Richard H. Pratt, “Parking Management and Supply,” *Traveler Response to Transportation System Changes. Transit Cooperative Research Program Report* (2003): 95.

municipalities charge a price that will ensure that approximately 15 percent of the spaces are always vacant.<sup>28</sup> This could be in the form of variable pricing that maintains a high enough price so that there will always be some vacancy, but not so high as to send business to other locations.

Parking pricing should be customized by location, and *GO TO 2040* recommends that CMAP work with interested local governments to explore its implementation.

### ***Increase Federal and State Gas Taxes and Index Rates to Inflation***

As the primary revenue sources for transportation funding, federal and state motor fuel taxes have not been imposed at appropriate levels to fund the maintenance and operations of our current system and provide for necessary capital improvements. The revenues are not keeping pace with inflation, much less the pace of recent escalating construction costs. Federal and state gas taxes remain cents per gallon taxes, thus when fuel consumption slows, revenues drop, regardless of the price of gasoline. While continued reliance on gas taxes may not be an attractive solution over the long run (largely based on its growing inefficiency as a “user fee” once more alternative sources of fuel are utilized), in the short and medium term, MFTs must be increased because they hold the most near-term revenue potential for transportation funding.

Unlike many of the potential alternatives that could replace or supplement the tax, gas taxes already have administrative systems in place for collection. The MFT also has the ability to directly charge for negative air quality impacts caused by the burning of fossil fuels, particularly carbon dioxide and other greenhouse gas (GHG) emissions. The failure of the MFTs in keeping up with the rate of inflation can be solved by indexing the tax rates to institutionalize annual adjustments that would at least maintain the purchasing power of the generated revenues. *GO TO 2040* recommends that the State of Illinois increase the existing 19 cents per gallon tax by eight cents and index the tax to inflation, either the consumer price index (CPI), construction cost index (CCI), or a transportation materials cost index. A portion of the revenues should be used to fund transit. The federal gas tax should also be raised and indexed to inflation.

### ***Pursue Appropriate Public Private Partnerships***

PPPs describe a range of contractual agreements between government and a private firm for the provision of public infrastructure or services. PPP contracting methods are designed to shift some amount of risk -- often in terms of project costs or project schedule -- away from the public sector, and provide opportunities and value to the private sector not previously available. The private sector is already heavily involved as contractors in the design and construction of transportation facilities. PPPs expand this role by leveraging private investment in a range of

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<sup>28</sup> Donald Shoup, “The High Cost of Free Parking,” presentation to the International Symposium on Road Pricing, November 2003. See <http://www.trb.org/conferences/roadpricing/presentations/shoup.ppt>.

other project elements, including financing, management, or by transferring some project risk, such as construction costs and schedules, to a private firm.<sup>29</sup>

The decision to authorize the use of PPPs rests with individual states. Currently, approximately twenty-four states have significant PPP authority, which can include the ability to: enter into “design-build” contracts; accept and respond to unsolicited proposals from the private sector; or, take advantage of innovative Federal financing programs (like the SEP-15 program, or TIFIA). While Illinois currently does not have broad PPP authority, or, at a minimum, the ability to enter into design-build contracts, Governor Quinn recently signed legislation allowing the IDOT to actively use public private partnership financing mechanisms for a proposed Illiana Expressway. This action may represent a first step toward a statewide policy. Neighboring states (Indiana, Missouri, and Minnesota) allow different types of PPP activity to be undertaken and have carried out projects with connections to Illinois.

Individual municipalities in Illinois may still pursue these types of financing arrangements with virtually no state involvement. The City of Chicago has been the legal party to the region’s major PPP projects, including the long term lease agreement of the Chicago Skyway deal and the current CREATE project. Long term lease agreements involve the leasing of a publicly -- financed transportation facility to a private-sector entity for a prescribed period of time during which the private entity has the right to collect revenue from the operation of the facility. In exchange, the private entity must operate and maintain the facility, and in some cases make improvements to it.

While long term lease agreements attract the most attention (and political controversy), other less risky PPP models should not be ignored, and they may have practical application in the Chicago region. “Design-build” arrangements consolidate typically disparate engineering and construction processes into one contract. In other places, this has shown the ability to reduce costs and drastically shorten the duration of projects, due to the elimination of a second procurement process for the construction contract.<sup>32</sup> One example of design-build, the recent Transportation Expansion Project (T-Rex) in Denver (expansion of I-25 and I-225 along with the construction of a new light rail line connecting the Denver Tech Center and downtown), was completed 22 months ahead of schedule and 3.2 percent under budget. The project sponsors estimated that the entire project would have taken 20 years or more to construct under a standard design, bid, and build process.<sup>33</sup>

A+B contracting (or “cost + time bidding”) is another PPP strategy that sets goals and incentives for the date of completion of the project allowing the public entity to shift some construction

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<sup>29</sup> See the GO TO 2040 Public-Private Partnerships Strategy report, 2009, for more information and case studies at <http://www.goto2040.org/WorkArea/DownloadAsset.aspx?id=14844>

<sup>32</sup> Federal Highway Administration, “Design-Build Effectiveness Study,” prepared for U.S. Department of Transportation. See <http://tinyurl.com/28vqh6a>.

<sup>33</sup> Metro Denver, Colorado Department of Transportation, and Regional Transportation District, Transportation Expansion Project (T-REX) Project Fact Book, 1999 to 2006, 2007.

risk to the private sector. This type of contracting can create incentives for the private sector to complete projects more quickly. Many state DOT's, including Florida, Arizona, Indiana, Washington, New York, and North Dakota have bid projects using this method, and it has been used extensively by the Office of Federal Lands Highway in FHWA.

Other PPP arrangements are more comprehensive in scope, and involve a private firm assuming not only design and build risks, but also the financing, operations and maintenance of the facility. Where private financing is involved, the public partner reduces the need for public monies to finance the project, conserving highway capital funds. A number of highway and transit projects in the U.S. have been constructed and operated in this manner. The SR 91 express lanes in southern California, which include variable congestion pricing, opened in 1995 as the first privately funded tollway built in the U.S. in nearly fifty years. Ownership and operation of SR 91 was reassumed by the public sector in 2003, though a private firm continues to manage and operate the express lanes under contract today.

*GO TO 2040* recommends that the General Assembly pass legislation which gives broad authority for IDOT and Illinois Tollway to pursue PPPs in northeastern Illinois. These project-specific arrangements should be handled with a high degree of transparency and care. The costs and benefits of recent PPP deals are still under debate, and for many of these deals it remains premature to make any final judgment on the outcome. PPP contracts can be extremely complex and performance standards on all aspects of operations and maintenance should be stated in detail. For long term lease agreements, the fiscal benefits of an up-front revenue infusion must always be carefully weighed against the public benefits over the lifespan of the project. While it is true that many of these deals have led to imperfect outcomes, in many cases PPPs have demonstrated significant cost savings, and enabling them would add needed flexibility to the way transportation projects are designed, constructed, financed, operated, and maintained.

### ***Pursue “Value Capture” Strategies and Transit Impact Fees***

“Value capture” refers to a range of financing strategies by which transportation implementers (particularly transit operators) can acquire capital or operating revenues from increases in property values caused by the transportation infrastructure investment. Access to transportation is a valued amenity in the real estate market. Numerous studies have found that property values increase in proximity to rail and highway access points (though not immediately adjacent to them due to noise pollution and congestion issues). These impacts dissipate as the distance from the transportation access grows.<sup>36</sup> The range of strategies include creating special assessment districts and tax increment financing (TIF) districts, and applying a proximate “land value tax” -- a property tax assessed to a much greater degree on land rather than improvements.

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<sup>36</sup> For a review of studies that look at railroad access, and an explanation in the variation in findings, see Derezion Ghebreegziabihier, Erik Pels, and Piet Rietveld, “The Impact of Railway Stations on Residential and Commercial Property Value: A Meta-Analysis,” *Journal of Real Estate Finance and Economics* 35 (2007): 161-180.

One particularly intriguing “value capture” strategy is imposing development impact fees, a one-time tax assessed on property development for the additional strain the new development puts on infrastructure. Impact fees are assessed on developers (though ultimately passed through to land owners and house buyers), are instituted by taxing authorities, are assessed before the property is developed (but often after the transportation infrastructure is developed), and usually must be applied to on-site properties or those immediately adjacent. Transit impact fees have been used in other parts of the U.S., including San Diego County, counties in Washington State, and in the City of San Francisco. Imposing a transit impact fee in the metropolitan Chicago region could generate a large amount in capital funds for the RTA system. Appropriate methods to apply value capture should be examined and implemented on a project-by-project basis.

### ***Pursue a Long Term Replacement for Gas Taxes***

While raising gas taxes in the short term makes good policy sense given declines in purchasing power and the administrative mechanisms already in place, MFTs will likely need to be replaced within the next 20 years as vehicles switch to alternative energy sources. “Pay as you drive” strategies, including the imposition of a VMT fee, could raise large annual revenues, depending on the fee schedule.<sup>37</sup> A VMT fee would likely be more efficient in making users bear the full costs of their road use. The gas tax currently fails the test as an efficient “user fee” given the varying levels of fuel efficiency in cars and trucks. However, new administrative procedures for instituting a new fee structure would need to be enacted. The gas tax is currently easily administered and similar mechanisms would need to be developed to adopt a VMT fee. While not a short-term solution to the transportation financing problem, analysis on the benefits of these types of new financing strategies should continue.

## ***5.5 Implementation Action Areas***

The following tables are a guide to specific actions that need to be taken to implement *GO TO 2040*. The plan focuses on five implementation areas for investing strategically in transportation:

- Find Cost and Investment Efficiencies
- Increase Motor Fuel Taxes in the Short Term, and Institute a Replacement in the Long Term
- Implement Congestion Pricing on Select Road Segments
- Implement Pricing for Parking

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<sup>37</sup> *GO TO 2040* Travel Demand Management Strategy Paper, 2009. See strategy paper on Travel Demand Management. See <http://www.goto2040.org/tdm/>.

- Find Other Innovative Finance Mechanisms

## ***Implementation Action Area #1: Find Cost and Investment Efficiencies***

<b>Action</b>	<b>Implementers</b>	<b>Specifics</b>
Prioritize maintenance and modernization projects when making investment decisions	State (IDOT, Tollway), RTA, CTA, Metra, Pace, counties, municipalities	Investments that maintain and modernize the transportation system should be prioritized over major expansion projects. This modernization focus should serve as a policy backdrop for our transportation investment decisions on both the highway and transit side. Furthermore, research and planning staffs from implementing agencies should conduct more in-depth studies on the impacts of cost-effective modernization strategies, including the procurement of more state-of-the-art buses and trains. Other enhancement and modernization strategies include traveler information systems, bicycling and pedestrian improvements, better pavement materials, signal timing, and other intelligent transportation system (ITS) improvements. Projects of all types should take a multimodal approach, seeking to improve conditions for travelers of all types, including bicyclists and pedestrians.
Develop and utilize transparent evaluation criteria for the selection of projects, particularly ones adding capacity	State (IDOT, Tollway), CMAP, RTA, Metra, Pace, CTA	Well defined criteria are needed for the selection of projects, particularly new roads, projects adding capacity to existing facilities, and new or increased transit service. This will help make the process of allocating state and federal funds more transparent for the general public and allow for the most crucial improvements and projects to be completed first with the finite resources available. CMAP has developed a set of criteria for evaluating major capital projects. IDOT, CMAP, and the transit agencies should coordinate on the use of these criteria and evaluate existing quantitative models for their degree of rigor and robustness. These evaluation criteria should be developed and vetted using a transparent regional process.
Ensure that the region's transportation projects are based on the above performance measures and align with the priorities of <i>GO TO 2040</i>	CMAP	CMAP has an important role to play in terms of whether or not finances should be allocated to transportation projects based on the above performance criteria, and whether the projects satisfy the direction of the long range plan, <i>GO TO 2040</i> . Changes and amendments to the TIP is the process by which such decisions can be made. CMAP staff should use criteria to measure the performance of projects, particularly larger, capacity-adding projects, in the TIP and make recommendations on action to the CMAP Board and MPO Policy Committee, who hold final say on whether or not projects should be included.
Improve decision making models used for evaluating transportation projects	CMAP	CMAP should continue to lead in developing the analytical tools and techniques for project evaluation. As the agency coordinates planning for transportation, land use and housing, environment, and economic development, the quantitative models employed to make these evaluations should be upgraded toward integrated models with transportation, land use, and economic components.
Identify methods and technologies to improve operational efficiency of the transit system	RTA	The RTA should focus its efforts on addressing the system's fiscal health, particularly pursuing strategies for improving operating efficiencies and ending the continual cost increases that have compromised the integrity of the system.

Revise the federal “New Starts” program for transit	Federal (U.S. DOT)	The Federal New Starts program is a competitive grant process that funds transit system expansions. While expansions are vital for many parts of the U.S., older and more well-developed systems should have the option to use these funds for badly needed maintenance and modernization efforts. The current New Starts program creates a strong incentive to pursue expansions, when maintenance and modernization should be the region’s top priority. The criteria for federal New Starts grants should be expanded to support reinvestment in existing infrastructure rather than solely new expansions. Further, FTA regulations concerning use of funds for engineering of transit projects are stricter than those governing highway projects, and should be changed to create a “level playing field”.
Develop regional infrastructure funding programs for plan implementation	State (IDOT), CMAP	Create a pilot program meant to focus infrastructure funds to implement local comprehensive plans, modeled on programs in Atlanta and San Francisco. Allocate a portion of funds currently programmed by the state (STP) and by CMAP (CMAQ) for this purpose. Retain the current programming of local STP funds, but encourage programmers to consider livability in their funding decisions.
End the “55-45” split for Illinois transportation dollars and make investment decisions based on metrics of need	IDOT	Northeastern Illinois continues to be plagued by a non-statutory funding split which allocates 55 percent of road funding to downstate districts and 45 percent to northeastern Illinois. Transparent performance driven criteria should be used to drive investments rather than an arbitrary split.
Revise the process of state capital program funding in Illinois	State (General Assembly)	Funding for transportation capital improvements should be included as part of the annual budgetary process, rather than in the form of “state capital program” bills, which typically occur only every 10 years. Furthermore, project selection should be based upon performance based criteria rather than on earmarks.

***Implementation Action Area #2: Increase Motor Fuel Taxes in the Short Term, and Institute a Replacement in the Long Term***

Action	Implementers	Specifics
Implement an eight cent increase of the state's motor fuel tax and index it to inflation	State (General Assembly)	This would require an act of the Illinois General Assembly and the Governor. An increase in the state's MFT presents the best option for short-term increase in revenues for transportation funding. The tax should be indexed to the rate of inflation to combat the decrease in purchasing power that occurs over time. A portion of these proceeds should be devoted to funding transit.
Implement an increase of the federal motor fuel tax and index it to inflation rate	Federal (Congress)	This would require an act of the U.S. Congress and the President. The federal MFT was last increased in 1993. Index the tax to the rate of inflation.
Conduct a detailed study of potential gas tax replacement revenue mechanisms, particularly "pay-as-you-drive" fees like a vehicle miles traveled fee	Federal (U.S. DOT), CMAP	As the fuel efficiency of automobiles increases along with the use of non-petroleum based fuels, there will be a long term need to replace the MFT. This could take the form of a VMT fee. Existing Global Positioning System (GPS) technology has the dynamic potential to charge fees based upon location/roadway and time of day.

### ***Implementation Action Area #3: Implement Congestion Pricing on Select Road Segments***

<b>Action</b>	<b>Implementers</b>	<b>Specifics</b>
Complete operational study of the potential congestion pricing projects	State (IDOT, Tollway), CMAP	Complete the operational impact study on the three alternatives identified by the Regional Congestion Pricing Study undertaken by the Tollway, MPC and WSA. The three alternatives are I-90/94 Kennedy Reversibles between Edens I-94 and Ohio St, I-90 Jane Addams between I-290 and I-294, and I-55 Stevenson between I-294 and I-90/94.
Implement congestion pricing pilot projects	State (IDOT, Tollway), CMAP, RTA, Pace, CTA, CDOT	Utilizing information collected in the regional and project level studies conducted, implement regional congestion pricing pilot projects. I-90 and I-55 are managed lanes projects specifically recommended in <i>GO TO 2040</i> – these should be prioritized.
Fund supportive transit projects with revenues generated	State (IDOT, Tollway), RTA, Metra, Pace, CTA	To alleviate potential equity issues created by the higher fees on road segments, there will be a need to increase transit service in the vicinity of the congestion pricing. Congestion user fees will be used to fund the increased service.
Fund arterial improvements with revenues generated	State (IDOT, Tollway), counties, municipalities	Congestion pricing can cause increased traffic diversion on to parallel arterials in local communities. The increased traffic may cause unintended congestion problems for local users of the arterials and infrastructure solutions maybe required. Congestion fees will be used to fund the mitigation solutions.
Conduct further study of congestion pricing and managed lanes strategies with special attention paid to major capital projects	State (IDOT, Tollway), CMAP, RTA, Metra, Pace, CTA, counties, municipalities	Many of the constrained and unconstrained road expansion projects would lend themselves to congestion pricing as a potential revenue source. Continued study of these projects is needed to identify the best candidates.

#### ***Implementation Action Area #4: Implement Pricing for Parking***

<b>Action</b>	<b>Implementers</b>	<b>Specifics</b>
Conduct detailed studies on potential parking pricing projects	CMAP, municipalities	Identify potential locations/areas where pricing for parking could be implemented and study the potential effects.
Implement parking pricing, including variable pricing parking projects	Municipalities	In almost all cases, local governments have authority over parking and would be the implementer and collect the generated fees. On-street parking, as close to a business as possible, is the most convenient type of parking for potential customers, and using pricing to keep these spots available for short-term use should be a high priority.
Encourage subregional planning studies to include a parking pricing component	CMAP, RTA	The use of both on and off-street parking should be analyzed as part of any subregional planning study that considers transportation. This may include studies at the corridor or downtown business district or even the industrial/office park planning levels.

### ***Implementation Action Area #5: Find Other Innovative Finance Mechanisms***

<b>Action</b>	<b>Implementers</b>	<b>Specifics</b>
Pass general state enabling legislation for public private partnerships	State (General Assembly, IDOT, Tollway)	For the state agencies like IDOT and the Tollway to even consider the different types of PPPs would require special enabling laws from the State of Illinois. State agencies are restricted by specific contracting, procurement, and purchasing rules and regulations that act as barriers to PPPs.
Provide objective analysis of potential projects and strategies	CMAP	CMAP as the regional planning agency can provide objective analysis on potential projects and the different finance models available to state, local, and private agencies. A strong focus should be placed on finding innovative finance mechanisms for major capital projects.
Consider public private partnerships in project development	State (IDOT, Tollway), CMAP, RTA	Based upon the analysis of potential projects and financing strategies, agencies should consider the use of PPPs on a project-by-project basis.
Conduct detailed value capture studies	RTA	To generate new funding for transit, the region needs to consider different value capture techniques on potential new or expanded transit infrastructure projects. The increased revenues can be used to offset operations deficits.

## 5.6 ***Costs and Financing***

The recommendations for transportation finance include strategies for raising revenue, as well as strategies for increased cost efficiencies and better investment decisions through regional priorities, evaluation criteria, and more sophisticated quantitative modeling. CMAP is required by federal law to prepare a detailed financial plan for transportation, which compares the estimated revenue from existing and proposed funding sources with the estimated costs of constructing, maintaining, and operating the total transportation system. This process is known as the plan's "fiscal constraint." Constraint for plans is important because it forces regional decision makers to set priorities and make trade-offs, rather than including a laundry list of projects and activities.

CMAP estimates that **\$350.4 billion** in core federal, state and local revenues will be available between 2011-2040. These "core revenues" are ones the region receives today, forecasted out based on historical trends. Federal guidance also permits MPOs to calculate revenues that can "reasonably be expected." What is "reasonable" usually constitutes a judgment call, based upon the current political and policy climate at various levels of government. The inclusion of "reasonably expected revenues" is vital for the region to make additional needed investments, though it still will not be enough to move the system to a state of good repair, make all of the strategic improvements, or construct all of the major capital projects that are desired.

"Reasonably expected" sources primarily include an eight cent increase (and subsequent annual inflation indexing) of the State of Illinois MFT and revenues from the institution of congestion pricing on some segments of the region's expressway system. A small amount of revenue is also expected from more aggressive pricing of parking in the region, as well as from transportation revenues expected through federal climate change legislation. The sum of these "reasonably expected revenues" totals an additional **\$34.6 billion**. Together, CMAP expects a total of **\$385 billion** in revenues over the plan horizon.

The total of transportation expenditures must be constrained by the predicted amount of future funding. CMAP estimates that while the total of core and reasonably expected revenues will be sufficient to operate and maintain the system safely and adequately, they will prove insufficient in bringing the system to a state of good repair or approach the desired level of enhancements and expansions -- the amount of funding needed to get to this level can be called "unconstrained." CMAP estimates that the first category (maintenance and operations of the transportation system at a "safe and adequate" level) will cost **\$332.7 billion** over the 30 year planning horizon. This number does not include assumptions of shorter lifecycles on maintenance schedules, upgrades to capital materials, equipment, rolling stock or facilities, or any enhancements or expansions to the system.

The remaining **\$52.8 billion (13.7 percent of total funding)** will be used to bring the system toward a state of good repair, enhance the system, and expand the system via the construction of major capital projects. This remaining envelope of funding constitutes the "regional budget,"

over the next 30 years, for maintaining or operating the system at a higher level, modernizing, enhancing, or expanding the system. While it is important to acknowledge the overall scale of the estimated investment, CMAP stresses that regardless of any estimated funding totals, the paramount challenge for the region is to set priorities.

The priorities of *GO TO 2040*'s preferred Regional Scenario are to maintain the existing system and make systematic improvements. The bulk of the region's transportation investments should be to maintain, improve, and modernize our infrastructure. Pursuing new major capital projects, while important, should remain a lower priority than these other activities. Achieving a world-class transportation system necessitates improving, modernizing, and increasing service on existing assets, rather than building expensive new projects that would be difficult to finance, operate, and maintain over the long term.

Given the policy direction of *GO TO 2040* and CMAP's charge to establish regional priorities, the recommendation is for **\$41.8 billion (10.9 percent of total funding)** of the remaining funding be allocated toward "state of good repair" capital maintenance, modernization, and strategic enhancement projects and **\$10.5 billion (2.7 percent of total funding)** toward major capital projects, which are described later in this section.

The remaining funding which is needed (but not covered under the plan's fiscal constraint), is called "unconstrained" funding. CMAP estimates that these needs amount to **\$100-\$220 billion** in additional revenue. This fact requires the region to find more cost efficiencies and to implement more aggressive strategies like congestion pricing and parking pricing. Value capture approaches, PPPs, and other strategies should also be pursued. **Table 1** summarizes *GO TO 2040*'s fiscal constraint for transportation, including the amount of funds which remain "unconstrained." Please note that all estimates of revenues and costs are stated in *year of expenditure* dollars (YOE\$) -- in other words, inflation as well as other forecasted revenue/cost increases have already been assumed in these figures.

<b>Table 1. Transportation revenues and expenditures (constrained and unconstrained) for GO TO 2040</b>	
<b>REVENUES</b>	
<i>Core Revenues</i>	
Federal Highway and Transit	\$66.4
State Motor Fuel Tax and Vehicle Registration Fees	\$50.9
RTA Sales Tax & Collar County Empowerment Fund	\$50.3
Transit Farebox Revenue	\$43.7
Toll Revenues	\$28.0
State Capital Program	\$16.1
Other Transit Revenues	\$24.4
Other Local Revenues for Roads	\$70.6
<b>Subtotal - Core Revenues</b>	<b>\$350.4</b>

<i>Reasonably Expected Revenues</i>	
Motor Fuel Tax Increase and Index to Inflation	\$19.4
Revenues from Congestion Pricing	\$12.0
Variable Parking Pricing	\$2.0
Transportation Allowances - Federal Climate Change Legislation	\$1.2
<b>Subtotal - Reasonably Expected Revenues</b>	<b>\$34.6</b>
<b>TOTAL REVENUES</b>	<b>\$385</b>
<b>EXPENDITURES</b>	
<i>Operating Expenditures</i>	
Transit	\$116.7
Highway	\$56.9
<i>Safe and Adequate (Capital Maintenance)</i>	
Transit	\$31.6
Highway	\$127.5
<b>Subtotal - Operating and Safe and Adequate Expenditure</b>	<b>\$332.7</b>
<i>Moving the System Toward a State of Good Repair/Systematic Enhancements</i>	<b>\$41.8</b>
<i>Major Capital Projects</i>	<b>\$10.5</b>
<b>TOTAL EXPENDITURES</b>	<b>\$385</b>
<b>UNCONSTRAINED EXPENDITURES</b>	<b>\$100-\$220</b>
<i>All numbers in YOES\$ for Period 2011-2040. Numbers are in billions of dollars.</i>	
<i>Source: <a href="#">GO TO 2040 Finance Plan for Transportation</a></i>	

## 5.7 Strategic Enhancements and Modernization

GO TO 2040 recommends that the region prioritize investments toward strategic enhancements and modernization of the transportation system. If carefully targeted, these types of projects will improve access, mobility, and the overall experience for all users. GO TO 2040 allocates \$41.8 billion (in YOES\$) over the next thirty years for projects that bring the system toward a state of good repair as well as those that enhance and modernize. The following subsection provides examples of the types of projects that can be pursued with this portion of the regional transportation budget. Projects of this type are not identified individually in the plan (with the exception of the below illustrative examples), but are identified and implemented through the region's Transportation Improvement Program.<sup>38</sup>

<sup>38</sup> The Transportation Improvement Program (TIP) is described online at: <http://www.cmap.illinois.gov/transportation/tip.aspx>.

Significant improvements can be made to the *public transit* system through enhancements and modernizations. These can include enhancements to stations or commuter parking facilities, purchases of more modern vehicles, strategic improvements to the rail system that are not large enough to be considered major capital projects, new or expanded bus routes (including Arterial Rapid Transit), and others. More specific recommendations concerning public transit can be found in Section 6 of *GO TO 2040*, Increase Commitment to Public Transit, which supports increasing investment to improve the region's transit system.

Most improvements to the *bicycle and pedestrian* system are also in this category. These can include sidewalks and other pedestrian facilities, off-street bicycle or multi-use paths, on-street facilities, or other efforts to provide accommodation for non-motorized transportation. Both bicycling and pedestrian travel are important components of an integrated, intermodal transportation system. *GO TO 2040* supports improving the bicycle and pedestrian environment through projects such as these. The plan also supports policy-based efforts to improve the bicycle and pedestrian systems, such as the use of Complete Streets principles to accommodate non-motorized travel in roadway design.<sup>39</sup>

*Roadway* improvements of many types are also included in this category. This essentially includes any type of roadway improvement beyond preservation and maintenance that is not considered a major capital project. For example, projects that add lanes to arterials or other streets, addition of turn lanes, access management programs, intersection improvements, new or improved interchanges, and new or improved bridges are included within this funding category. *GO TO 2040* recommends implementing these projects strategically, following principles of Context Sensitive Solutions (CSS), using innovative design features, and seeking to include multimodal alternatives -- including provisions for transit, bicycling, and pedestrians -- within them.

Improvements related to *Intelligent Transportation Systems (ITS)* are also considered strategic enhancements and modernization. These include the use of real-time traveler information for both highway and transit, signal improvements such as interconnects or Transit Signal Priority (TSP) systems, traffic management centers, and many others. In recent years, real-time data about traffic conditions, travel time, and transit arrival times has dramatically increased with the explosion of information technology, and this trend will likely continue. *GO TO 2040* supports continuing to advance ITS projects of all types, and recommends a continued role for CMAP in coordinating these efforts regionally.

## **5.8 Major Capital Projects**

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<sup>39</sup> For more information on CMAP's ongoing work to improve the bicycle and pedestrian system, see the Soles and Spokes program, online at <http://www.cmap.illinois.gov/solesandspokes>.

To support the region’s expected growth and improve the quality of transportation service to people and businesses, *GO TO 2040* identifies capital investments expanding the capacity of regionally significant transportation facilities. This capital element of *GO TO 2040* is required for projects in the region to be eligible to receive federal transportation funds or obtain federal approvals. It identifies the major transportation capital projects that will be pursued between now and 2040. These projects must meet the federal requirement of fiscal constraint and conform to certain air quality requirements.<sup>40</sup>

Although these major capital projects account for only a small fraction of the total investment in transportation, they have been thoroughly investigated and evaluated in terms of how they support the *GO TO 2040* Regional Vision. Due to the length of time required to develop major capital transportation projects, accurately identifying a system of improvements within the long-range plan promotes efficient, cost-effective implementation of these projects.

This subsection includes descriptions of high-priority major capital projects that our region should pursue between now and 2040; these include a balance of transit, highway, and multimodal projects, distributed throughout the region.

## ***Program Development***

### **Definition of Major Capital Projects**

Only a small number of transportation projects are considered “major capital projects.” They are large projects with a significant effect on the capacity of the region’s transportation system, including extensions or additional lanes on the interstate system, entirely new expressways, or similar changes to the passenger rail system. Arterial expansions and intersection improvements are not defined as major capital projects; neither are bus facilities, unless they involve a dedicated lane on an expressway.

### **Fiscal Constraint**

Essential to the development of the program of capital projects and meeting federal requirements is a detailed transportation financial plan that has been prepared as part of *GO TO 2040*. The conclusion of this work is that approximately \$10.5 billion (in YOES) in funding from existing or reasonably expected sources is likely to be available for major capital projects between now and 2040. This is in comparison to an anticipated \$385 billion in funding from existing or reasonably expected sources for all transportation investments between now and 2040.

While the nature of a long range plan draws attention to the proposed major capital projects, the vast majority of the transportation investment between now and 2040 will go to maintain,

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<sup>40</sup> For more detailed information and analysis, see the *GO TO 2040* capital project page at <http://www.goto2040.org/scenarios/capital/main/>.

operate and modernize both the highway and transit systems. The RTA's report, *Moving Beyond Congestion*, estimates that, just for transit, \$8.4 billion is needed over the next five years to maintain and enhance the existing system. In its Statewide Transportation Plan, IDOT estimates that over 13 percent of its roadways and 10 percent of its bridges need improvement. Pursuing new major capital projects, while important, is a lower priority than other strategic improvements such as the following: transit system operations improvements; other systematic capital improvements to transit facilities (e.g., designated bus only lanes, transit signal priority); pedestrian and bicycle improvements; expansion of paratransit service; arterial widenings and operational improvements in congested areas; traveler information services; variable pricing on expressways; interchange reconstructions with operational improvements; intersection treatments; or signal interconnects.

### **Project Prioritization**

Projects were prioritized based on their support for *GO TO 2040*, the results of the individual evaluations, and information from other project analyses. The priorities of *GO TO 2040* are to maintain, improve, and modernize our infrastructure; pursuing new major capital projects, while important, is a lower priority than these other activities.

Using the list of capital projects contained in the previous regional transportation plan as a starting point, implementers, stakeholders, and the general public were asked to submit projects for analysis and consideration. The result was a list of projects that would have taken over \$80 billion to implement and operate. Therefore, a prioritization process was needed, which included evaluation measures, to select the best combination of projects within the fiscal capacity of the region.

There were three phases to the project prioritization process. First, projects were evaluated based on their support for the Preferred Regional Scenario, which among other things calls for more compact, mixed-use development and transportation investments targeted to achieve outcomes such as economic growth, environmental protection, and congestion reduction. Second, an extensive array of [performance measures](#) or indicators was developed with the assistance of the Volpe Center, part of the U.S. DOT's Research and Innovative Technology Administration. Each project was evaluated in terms of how it performed against these measures.<sup>41</sup> Finally, since a number of projects have undergone extensive study, information from these other project analyses was considered. The final selection process was not a simple mathematical exercise but rather the result of professional judgment which considered projects within each of the three phases described above. The result is a cohesive mix of projects exhibiting a number of distinct themes.

Several themes can be seen in the prioritization of fiscally constrained projects. First, there are few "new" projects or extensions. The majority of the constrained projects involve

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<sup>41</sup> For more detailed information and analysis, see the *GO TO 2040* capital project page at <http://www.goto2040.org/scenarios/capital/main/>.

improvements to existing facilities. Second, there are a number of “managed lanes” projects. These are envisioned to incorporate advanced tolling strategies such as congestion pricing, transit alternatives like Bus Rapid Transit (BRT), or special accommodations for truck travel. Third, there is considerable public investment in transit. Of the 18 projects recommended there are seven highway projects, eight transit projects and three managed lane or multimodal corridor projects that will accommodate both highway and transit modes. Of the estimated \$21 billion (in YOES)<sup>42</sup> available for major capital projects, over \$12 billion is allocated to transit projects and an additional \$4.5 billion for managed lane and multimodal corridor projects. These priorities are consistent with the direction of *GO TO 2040*, which calls for investment in the existing system, use of innovative transportation finance methods, support for freight, and a focus on improving the public transit system.

### **Priority Projects**

Evaluation results for individual projects are included in the [Appendices](#). Note that these are high-level informational results, and ranking projects based solely on these results was not attempted. As projects proceed, they will require extensive additional detailed study and engineering. Project-level studies produce different results, appropriate to the level of detail needed for implementation. The results in the individual evaluations are intended to provide only a general idea of comparative benefits.

The selected high-priority capital projects were also evaluated together using the same measures that were calculated for the individual project evaluations.<sup>43</sup> The combined impact of the projects on the region’s transportation system is generally positive. In combination, they result in economic growth, reduced congestion, shorter commutes, and improved job accessibility. Both auto and transit trips increase, and transit’s mode share grows slightly. The high-priority projects support *GO TO 2040*’s focus on reinvestment in existing communities, and they have limited impact on sensitive natural areas. As required by federal regulations, the major capital projects were combined with the proposed FY 2010 – 2015 Transportation Improvement Program and tested for conformity to the State’s Implementation Plan to achieve the National Ambient Air Quality Standards. The analysis demonstrates that the region meets all required tests for air quality.<sup>44</sup>

Also, the “environmental justice” impacts of the constrained project list were calculated. This was done by calculating the jobs-housing access measure for only those areas that were defined as “environmental justice” areas -- those with a concentration of low-income or minority residents. The purpose of this calculation is to ensure that the benefits of the region’s

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<sup>42</sup> An explanation of the \$21 billion figure – rather than the \$10.5 billion cited earlier – is contained in a March 2010 memo to the MPO Policy Committee: <http://www.cmap.illinois.gov/WorkArea/DownloadAsset.aspx?id=19027>.

<sup>43</sup> For evaluation measures see the April 2010 staff memo to CMAP Transportation Committee at <http://tinyurl.com/2dvm3l8>.

<sup>44</sup> Details on the air quality conformity analysis can be found at: [http://www.goto2040.org/conformity\\_analysis](http://www.goto2040.org/conformity_analysis).

transportation investments are shared fairly among socioeconomic groups. The results demonstrate that job accessibility is improved, particularly in terms of transit.

The following capital projects are recommended to be included for the fiscally constrained list for *GO TO 2040*:

### **New Projects or Extensions**

- Central Lake County Corridor: IL 53 North and IL 120 Limited Access
- Elgin O'Hare Expressway Improvements (includes Western O'Hare Bypass, EOE East Extension, and EOE Add Lanes)
- CTA Red Line Extension (South)
- West Loop Transportation Center

### **Expressway Additions and Improvements**

- I-190 Access Improvements
- I-80 Add Lanes (US 30 to US 45)
- I-88 Add Lanes
- I-94 Add Lanes North
- I-294/I-57 Interchange Addition

### **Managed Lanes and Multimodal Corridors**

- I-55 Managed Lanes
- I-90 Managed Lanes
- I-290 Multimodal Corridor

### **Transit Improvements**

- CTA North Red/Purple Line Improvements
- Metra Rock Island Improvements
- Metra SouthWest Service Improvements.
- Metra UP North Improvements

- Metra UP Northwest Improvements/Extension
- Metra UP West Improvements

**Figure 5** is a map of these projects. A further description of the improvements involved, financing issues, project performance, and project status follows.

Figure 5. GO TO 2040 fiscally constrained major capital projects



Source: Chicago Metropolitan Agency for Planning, 2010

## New Projects or Extensions

### *Central Lake County Corridor: IL 53 North and IL 120 Limited Access*

This project will extend IL 53 from its current terminus at Lake-Cook Road to central Lake County. It includes a dual terminus with I-94 to the east and IL 120 at Wilson Road to the west. Toll revenues are expected to cover a large portion of the project cost.

The project is intended to provide improved accessibility for Central Lake County and improved mobility within the county; the current terminus of IL 53 at Lake Cook Road diverts travelers onto several local roadways. The project performs extremely well using the adopted performance measures, including ranking highest among all projects in its effect on region-wide congestion. Sixty-nine percent of elected officials attending the Lake County Transportation Summit in September of 2005 supported the extension of IL 53. Lake County voters approved of the county's commitment to pursue the completion of the project via referendum approval in April 2009. The County Board has passed a resolution urging IDOT "to initiate a planning process that engages all affected communities in an effort to build consensus around development of an environmentally sound and context sensitive integrated system of roads and transit improvements from the terminus of Rt. 53 to Rt. 120."

In response to the Lake County Transportation Summit held in September of 2005, the Lake County Division of Transportation established a Route 120 Corridor Planning Council to build consensus on a recommended alternative. The study concluded in October of 2009 that the facility should be constructed as a four-lane, limited access arterial highway with a by-pass along seven miles of the present state highway.<sup>45</sup> The value of the Corridor Planning Council should be recognized, and the results of this work should become the basis for future work on both sections of this corridor. The IL 120 improvement can proceed more quickly through planning and engineering than the IL 53 extension, though they should be planned to be complementary.

However, the project does have potential negative impacts on the natural environment and on immediately adjacent communities. CMAP recommends that IDOT and Tollway work closely with Lake County and affected communities to use an aggressive Context Sensitive Solutions (CSS) approach for the planning and design of this facility, and that environmental protection and preservation of nearby community character should be high priorities. More specifically, there are significant environmental mitigation and enhancement opportunities in the vicinity of the project that have been noted in the Green Infrastructure Vision (GIV). Funds for wetland mitigation should be directed to high-priority biological areas, so that mitigation projects are focused in the GIV and in the same subwatersheds. Mitigation should help protect and restore key areas, such as the Kemper Property and Liberty Prairie Reserve, identified in the GIV.

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<sup>45</sup> More details are available on the project website, <http://www.120now.com/>.

Various design alternatives, including non-expressway alternatives, designing for lower speeds and using innovative interchange/intersection ideas, should be strongly considered during project planning. In addition, since high-capacity, high-speed transit options are limited in these corridors, especially the IL 120 corridor, transit accommodations need to be considered during project development.

#### *Elgin O'Hare Expressway and West O'Hare Bypass Improvements*

This multi-component project will improve access to areas west of O'Hare Airport and also to a proposed West O'Hare Terminal. This project consists of several elements: (1) a western expressway bypass of O'Hare Airport; (2) an extension of the Elgin O'Hare Expressway from I-290/IL 53 to the Western O'Hare bypass and West O'Hare Terminal; and (3) adding one lane in each direction -- from four to six lanes total -- on the existing Elgin O'Hare expressway. Toll revenues are expected to cover a large portion of the project cost.

For planning and implementation, the three projects are being analyzed by IDOT as a joint project. Since this project centers around O'Hare airport, which is a major economic driver in this region, it is important to relieve congestion and improve accessibility throughout this corridor. By implementing this project, the benefits will extend throughout the region in terms of accessibility and the economy. Tier One Alternatives Analysis has been completed, with a Draft Environmental Impact Statement published in September 2009. Public involvement activities remain underway in advance of project engineering. See [www.elginohare-westbypass.org](http://www.elginohare-westbypass.org) for more information on these ongoing activities.

The Elgin O'Hare East extension has been endorsed as a major project by the Cook-DuPage Policy Committee as part of the RTA Cook-DuPage corridor study. Land use and economic development planning have also accompanied IDOT's planning of the facility.

While the project would be in a mostly developed area, there are still potential natural resource impacts. Within northeast DuPage County, several properties of the county's Forest Preserve District (Salt Creek, Salt Creek Marsh, and Silver Creek Forest Preserve) may be affected by the project. Wetlands in the western portion of the project area may also be affected. It is important to target mitigation funds in ways that meet regional priorities.

#### *CTA Red Line Extension (South)*

The South Extension project extends the Red Line, which is currently 22 miles long and is the Chicago Transit Authority's (CTA) most heavily-used rail line, for an additional 5.5 miles. It would travel from its current terminus along I-57, following the Union Pacific (UP) corridor to 130th Street, operating on an elevated structure for its entire length. A key component of the plan is an intermodal terminal and a major park-and-ride lot at 130th Street. Intermediate stations are planned at 103rd, 111th, and 115th.

The project will streamline bus-to-rail connections for several bus routes south of 95th Street. 95th Street is currently the station with the highest ridership outside of downtown Chicago; additionally, 13 CTA and six Pace routes serve the 95th Street station, and nearly 9,000 riders transfer from bus to rail at this station on an average weekday. Bus access to the 95th Street terminal is a key problem that would be addressed by the Red Line extension, which would reduce the number of bus to rail transfers that would need to occur at this location.

The South Extension strongly supports *GO TO 2040*'s recommendations for infill development. A number of vacant and underutilized lots, some under city ownership, have been identified as having redevelopment potential near several of the proposed new stations. Much of the surrounding area is within TIF districts and economic development in these areas is sought. The new stations and 95th Street station may have the potential to support innovative financing, such value capture strategies, lease of facilities for commercial uses, and advertising and station naming rights.

The Locally Preferred Alternative for this project was selected in August 2009, completing the Alternatives Analysis process. This led to the UP railroad corridor being selected over several other potential alternatives. The next step in the process is to prepare a draft Environmental Impact Statement and begin preliminary engineering through the federal New Starts process. More documentation on the Alternatives Analysis process, including detailed reports and maps, is available at <http://w.transitchicago.com/Redeis/documents.aspx>.

#### *West Loop Transportation Center*

The West Loop Transportation Center is a proposed transportation terminal located between the Eisenhower Expressway and Lake Street in Chicago. The terminal structure for the West Loop Transportation Center is envisioned to improve transfers between intercity rail, potential high-speed rail, commuter rail, rapid transit, and bus services. The proposal also includes increased capacity for Chicago Union Station, which serves several commuter and intercity passenger rail services.

This project will provide a focal point and a gateway into the Chicago region and facilitate movements and connections throughout the region. Incorporating and integrating seamless transit connections with elements of urban design focused on this transit center will be important to facilitating the Chicago region as the Midwest hub for high-speed rail, as well as increasing transit usage and promote economic development opportunities. Travelers from outside the region can safely arrive at this station and have a number of connection options at their discretion to access the city or the suburbs. For those residents within the region, this project will offer easier access from Metra commuter trains and various points within the city whether by bus or El line.

## **Expressway Additions and Improvements**

These projects collectively provide additional capacity on smaller segments of the expressway system in northeastern Illinois. In several cases, they bring the segments in question to the same number of lanes as immediately adjacent segments, thus avoiding artificial bottlenecks. Project completions are envisioned to occur in the earlier years of the plan.

### *I-190 Access Improvements*

The I-190 Access Improvements project consists primarily of redesigning and reconfiguring arterial access to I-190 and O'Hare International Airport to improve mobility and reduce congestion and collisions. Project planning is advancing; several elements have already been funded through IDOT, Chicago Department of Transportation (CDOT), and the Chicago Department of Aviation, using Passenger Facility Charge funds.

### *I-80 Add Lanes*

On I-80, two (one each direction) lanes are proposed from US 30 east to US 45 to serve traffic utilizing I-355 north and east-west cross-county traffic. This will complete the widening of I-80 from the Grundy County Line (River Road) to I-294, providing capacity in the corridor to serve demand from the recently-completed I-355 extension.

### *I-88 Add Lanes*

Two (one each direction) lanes are proposed from IL 56 east to Orchard Road along the Ronald Reagan Memorial Tollway (I-88). The 4.1 miles of additional capacity on I-88 comes after completion by the Tollway of a larger reconstruction and add lanes project on the facility from I-294 west to Orchard Road. The Kane County's 2030 Long Range Transportation Plan and 2030 Land Resource Management Plan concur in the construction of this project.

### *I-94 Add Lanes North*

Two additional lanes (one each direction) are proposed for I-94 in far northern Lake County from IL 173 to the Wisconsin border. The project will provide capacity continuity between the recently-completed add-lanes project on the Tri-State Tollway from Balmoral Avenue north to IL 173 and a project underway to add lanes on I-94 from the Illinois border to I-894/Mitchell Airport in Wisconsin.

### *I-294/I-57 Interchange Addition*

The I-294 at I-57 Interchange Addition project calls for a full interchange at the juncture of these two interstates for improved accessibility to and from the south suburbs and also for improved north-south regional travel. Improvements will also be made to connecting arterials at the new interchange. The Tollway has this project listed as a component in their Congestion Relief Program.<sup>46</sup> The Tollway, with IDOT, completed an environmental assessment of the project in August 2008.

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<sup>46</sup> Illinois Tollway, Congestion-Relief Program. See <http://tinyurl.com/23t59mu>.

## **Managed Lanes and Multimodal Corridors**

These projects will address capacity issues on major corridors of the existing highway network in the region. However, rather than simply adding further general-purpose highway capacity, two of these corridors are recommended for a “managed lane” treatment. “Managed lanes” are distinct from general purpose travel lanes in that they are designed to address the specific congestion issues in the corridor. For example, if peak-hour demand is the dominant issue, the facility can be tolled to regulate demand, or lanes can be reserved for high-capacity vehicles -- carpools, vanpools, or buses, for example. Other facilities with heavy demand focused on particular origins and destinations can have transit components. If freight movements are high, some of the capacity can be restricted to certain types of vehicles. The third corridor is recommended for a multimodal improvement, with a mode still to be chosen.

### *I-55 Managed Lanes*

The I-55 managed lanes project consists of two (one each direction) additional managed lanes from Weber Road east to I-90/94. A similar project was previously studied by the RTA and IDOT in 1993. Currently, studies are ongoing with the RTA, in cooperation with IDOT and the FHWA, to implement a shoulder-riding bus service between I-355 and I-90/94 as an initial option. Development of a Bolingbrook South Park and Ride Center along I-55 within the proposed corridor is identified as a key transit element in the Will County 2030 Transportation Framework Plan component of the Will County Land Use Plan.

### *I-90 Managed Lanes*

Two managed lanes (one each direction) are included on I-90 from I-294 to the Elgin Toll Plaza west to I-39 near Rockford. Access to the facility will be improved by: reconstructing the interchange at I-290/IL 53; expanding the interchanges at IL 47, Barrington Road, Elmhurst Road, and IL 72/Lee Street; and providing new interchanges at Irene Road, IL 23, and Meacham Road. Depending on the timing, reconstruction of the existing facility along this corridor should be undertaken as a concurrent activity.

This project shows broad regional support. It is concurred upon within the Kane County’s 2030 Long Range Transportation Plan and 2030 Land Resource Management Plan. The Village of Hoffman Estates’ 2007 Comprehensive Plan recommends continuing work with the Tollway toward implementing additional lanes. Interchange access improvements are recommended in the Infrastructure section of the McHenry County 2030 Comprehensive Plan.

### *I-290 Multimodal Corridor*

IDOT is currently conducting an I-290 Preliminary Engineering and Environmental Study. The study is employing the CSS principles adopted by IDOT and will examine a number of feasible alternatives to address the needs in the corridor. Among the transit alternatives under review are an extension of the CTA Blue Line, and BRT. Also under consideration is an expansion of the expressway by adding two (one each direction) managed lanes from Mannheim Road east to Austin Avenue. The managed lanes would also be capable of serving a BRT option.

The expansion of I-290 is a significant concern for a number of communities in the project corridor. Of particular concern is that if an I-290 expansion were implemented first, it might preclude future transit extensions in the corridor. The need to preserve this option will be maintained throughout IDOT's Phase I engineering work. The results of this work and the Cook-DuPage corridor study will determine the specific mode to be chosen.

Regardless of mode, the project should require careful attention to minimizing any negative project impacts on the adjacent communities. Transportation improvements in this corridor are clearly needed, and a multimodal approach is favored over simply adding lanes to the highway.

## **Transit Improvements**

Several commuter rail lines are recommended for infrastructure upgrades, accompanied by service improvements for some of the lines. Depending on the line, the upgrades can include additional tracks, improved train controls, grade separations and yard improvements. Some of these improvements expand capacity to accommodate increased passenger service; others improve reliability and reduce conflicts with on-road vehicles. Many of the improvements also benefit freight traffic, which may share tracks with passenger transportation, or cross passenger lines. The CREATE program identifies a number of specific improvements included in these projects.

### *CTA North Red and Purple Line Improvements*

The Red Line and Purple Line Improvements project includes mainly reconstruction improvements to the shared right of way segment between the Addison and Howard stations, as well as the Purple Line segment between the Linden and Howard Station. Also being considered are varied limited stop and express service improvements and bus transfer facility improvements.

A vision study for the Red/Purple Lines is currently underway.<sup>47</sup> This study is expected to be completed in 2010.

### *Metra Rock Island Improvements*

For the Rock Island District line, proposed improvements include adding a third track to the nine-mile double-track portion (between Gresham Junction and a point north of 16th Street Junction) of the Rock Island District (RID) Line, north from Gresham, where the Beverly Branch trains connect with the RID Main Line. The additional track will accommodate future expansion of RID service, the proposed SouthEast Service, and the eventual connection of the SouthWest Service with LaSalle Street Station. Other elements of the proposed upgrade include a new flyover bridge over the Norfolk Southern railroad at 63rd Street (part of the CREATE program), new bi-directional signals, and centralized traffic control to integrate with existing RID

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<sup>47</sup> Chicago Transit Authority, North Red & Purple Line Vision Study. See <http://tinyurl.com/2bz4ejw>.

operations, plus several new or rehabbed bridges over city streets and an expanded and modernized 47th Street Yard.

#### *Metra SouthWest Service Improvements*

SouthWest Service Improvements will upgrade infrastructure and service levels between Manhattan (southern Will County) and downtown Chicago. Service will also be rerouted to terminate at LaSalle Street station. The improvements include constructing a 2-mile segment beginning west of Belt Junction (Belt Railway of Chicago, BRC) to carry trains over the parallel Norfolk Southern service along 74th Street over to the RID tracks to provide improved reliability with fewer operating conflicts. Rerouting the SouthWest service into Chicago's LaSalle Street Station will relieve congested operations at Union Station. The project is consistent with subregional plans; the project is recommended in the Will County 2030 Transportation Framework Plan portion of the Will County Land Use Plan.

#### *Metra UP North Improvements*

The UP North Improvements will improve the operating capacity of the line between Ogilvie Transportation Center and Kenosha through a number of coordinated projects. Line capacity and reliability will be improved by installing additional crossovers and other track improvements. A new upgraded replacement outlying coach yard will be provided to allow for more efficient servicing of equipment and to accommodate expansion of service. Additional upgrades to existing stations will accommodate the increase in passengers in both the traditional commute and reverse commute direction. The renewal of bridges between Balmoral Avenue and Ogilvie Transportation Center within the City of Chicago will improve safety. A new station at Peterson and Ridge Avenues is proposed, and improvements to the existing Hubbard Woods Station are proposed to expand transportation options to these communities.

#### *Metra UP Northwest Improvements/Extension*

Two improvements are proposed on the UP Northwest: infrastructure upgrades and a 1.6 mile extension to Johnsborg from McHenry. Infrastructure upgrades include improvements to the existing signal system and additional crossovers and other track improvements to increase the operating capacity and reliability. The extension to Johnsborg will allow improved operations on the entire line. New yards are planned for the Woodstock and Johnsborg areas. Two additional stations will be added to the line: Prairie Grove (McHenry branch) and Ridgely (Woodstock branch).

#### *Metra UP West Improvements*

The UP West Improvements include improving signal systems and upgrading existing track, including new crossovers. A third track will be added to an existing double-track portion of the line east of Elmhurst. Also proposed is moving the current A-2 crossing with the Milwaukee District and North Central lines at Western Avenue to a new location one mile east. These improvements will enable the UP West to better serve as an alternative to the BNSF line and also to operate more effectively in coordination with freight rail movements.

## **Other Recommended Projects**

Among the systematic improvements necessary to bring the transportation system up to a state of good repair are a number of significant initiatives that will serve to improve transportation in northeastern Illinois. Note that these are not major capital projects but are specifically recommended within *GO TO 2040* and deserve specific mention here.

### *CREATE*

Addressing the region's rail infrastructure, CREATE will invest in capital improvements reducing freight bottlenecks and raising train operating speeds. In doing so, the program improves the economic competitiveness of the region's manufacturing and transportation industries. In addition, CREATE will reduce the freight industry's impact on metropolitan communities by reducing grade-crossing delay and by reducing freight engine vehicle emissions. CREATE is a project of regional and national significance and although the project has made substantial progress, it still needs additional funds leading to completion. Specific work will include:

- 25 new roadway overpasses or underpasses at locations where auto and pedestrian traffic currently cross railroad tracks at grade level.
- Six new rail overpasses or underpasses to separate passenger and freight train tracks.
- Viaduct improvements.
- Grade crossing safety enhancements.
- Extensive upgrades of tracks, switches and signal systems.

### *High-Speed Rail*

As part of ARRA, in January of 2010, U.S. DOT announced the award of \$8 billion nationally to develop a program of high-speed intercity passenger rail service. Recognizing that Chicago is the preferred hub for the Midwest portion of such a network, IDOT was awarded \$1.1 billion to develop passenger rail service from Chicago to St. Louis, operating at speeds of up to 110 mph. Improvements include upgrades to track, signal systems, and existing stations; implementation of positive train control technology; and upgrades to rail cars. The improvements will allow Chicago to St. Louis customers to reach their destination 30 percent faster than is now possible by rail and 10 percent faster than driving. On-time performance will also be improved. *GO TO 2040* recognizes the need for the region to aggressively pursue high-speed rail and has included in its list of capital projects the West Loop Transportation Center in the City of Chicago. This transportation hub would bring together Amtrak services, both high-speed and conventional, Metra commuter rail, CTA rapid transit, and bus service. A facility of this nature is necessary if Chicago is to be successful as a Midwest hub for high-speed rail.

## **Unconstrained Projects**

A number of projects were evaluated but are not included in the fiscally-constrained priority list for *GO TO 2040*.<sup>48</sup> The placement of a project on the fiscally unconstrained list does not mean that it is undesirable or not recommended. Some projects on this list showed regional benefits, but are not far enough along in the study phase to have firm cost estimates, alignment, or limits. Other projects may have potential for innovative financing arrangements that would significantly change their public sector cost or implementation schedule. For both of these cases, more detailed information or changes in financing status would justify reconsidering whether the project should be placed on the fiscally constrained list. More detail on each unconstrained project is provided below.

The extent of this list of unconstrained projects highlights the magnitude of unfunded major capital needs. Preliminary work on many of these projects has already begun, indicating that these are identified needs with substantial support justifying an expenditure of scarce resources. Clearly the funding available to maintain, operate and improve the transportation system is severely inadequate. Project sponsors are encouraged to explore PPPs or other innovative financing methods for their projects, as these will become increasingly important ways to finance transportation improvements.

As conditions change, such as an increase in available funding or an opportunity for a project to utilize a PPP, there could be a need to modify the list of constrained projects. The region is required, by federal regulation, to review and update its long range plan at least every four years. This provides an opportunity to adjust the list of constrained projects as appropriate. Additionally, the MPO Policy Committee has established a process whereby in certain situations the plan could be modified in-between regular updates. This would require meeting all federal requirements including fiscal constraint, air quality conformity and public involvement.

#### *Central Area Transitway*

This project includes a number of elements meant to improve circulation in downtown Chicago, including exclusive busways or priority lanes on city streets. Several elements of this project, including any bus improvements on surface streets, can proceed at any time; the only elements of this project which are unconstrained are the construction of major capital facilities including exclusive and separated busways.

#### *CTA Blue Line West Extension*

This project would extend the CTA Blue Line to the west along the I-290 and I-88 corridors, with either Maywood, Oak Brook, or Lombard being used as a western endpoint. It should be evaluated further as part of the continuation of the Cook-DuPage corridor study. The initial evaluation of the project showed it to be beneficial, but a more detailed feasibility study is needed.

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<sup>48</sup> For more detailed information and analysis, see the *GO TO 2040* capital project page at <http://www.goto2040.org/scenarios/capital/main/>.

#### *CTA Brown Line Extension*

This project would extend the CTA Brown Line along Lawrence Avenue to connect with the CTA Blue Line at the Jefferson Park station. The project shows benefits in a heavily-travelled corridor, and improves transit connectivity, but it is quite costly. The project is in early stages of development, and further investigation of the feasibility of this project, as well as alternative bus-based service such as ART or BRT, is needed.

#### *CTA Circle Line (Phase II; south)*

This project would travel south from the Ashland station of the CTA Green and Pink Lines, connecting to the CTA Blue Line and continuing to the CTA Orange Line. After this, the route will use the CTA Orange Line alignment to travel into the Loop. This segment of the Circle Line is progressing through the Alternatives Analysis phase of the federal New Starts process; the next step in the process will be the selection of a Locally Preferred Alternative.

#### *CTA Circle Line (Phase III; north)*

This project would connect the Ashland station of the CTA Green and Pink Lines (also the northern terminus of the southern portion of the Circle Line) to the CTA Red, Brown, and Purple Lines in the vicinity of North Avenue within Chicago. Planning for this segment of the Circle Line is in an early stage and its benefits and costs cannot yet be assessed.

#### *CTA Orange Line Extension*

This project would extend the CTA Orange Line to the Ford City shopping center, in southwest Cook County, from its current terminus at Midway airport. It has completed the Alternatives Analysis process required to access federal New Starts funding, and a Locally Preferred Alternative has been identified. Per FTA regulations, the project may not initiate Phase I engineering unless it is on the fiscally constrained list, but other scoping and planning activities are permitted and may continue. In particular, performing supportive land use and economic development planning around the proposed terminus would improve the project's effectiveness and should be pursued.

#### *CTA Yellow Line Enhancements and Extension*

This project would extend the Yellow Line from its current terminus in Skokie to Old Orchard Mall in northern Cook County. It has completed the Alternatives Analysis process required to access federal New Starts funding, and a Locally Preferred Alternative has been identified. Per FTA regulations, the project may not initiate Phase I engineering unless it is on the fiscally constrained list, but other planning scoping activities are permitted and may continue.

#### *DuPage "J" Line*

This project involves the construction of a new bus-only lane on I-88 through DuPage County from Naperville Road to IL 83. It also includes service on nearby arterial streets and improvements to these streets, though these are not considered part of the major capital project. The DuPage "J" Line may initiate operations as an express bus or ART-type service at any time,

and this is supported by *GO TO 2040*; the only portion of this project which is fiscally unconstrained is the construction of a new lane on I-88. As indicated in the Cook-DuPage corridor study, there is a significant need for north-south transit alternatives in western Cook and eastern DuPage Counties, and this project may be able to address this need.

#### *Elgin O'Hare Expressway Far West Extension*

This project would build on the Elgin O'Hare Expressway West Extension (described below) by upgrading US 20 through northwest Cook County. It is contingent on the completion of other projects and is in an early stage of planning.

#### *Elgin O'Hare Expressway West Extension*

This project would extend the Elgin O'Hare Expressway west from its current terminus in Hanover Park to a location along US 20 near Bartlett Road in Streamwood. A transit element may be included as part of this project, which is in an early stage of planning.

#### *Express Airport Train Service*

This project would provide express service along the CTA Blue and Orange lines, speeding connections to downtown Chicago. It also would include upgraded vehicles and a new downtown terminal that would allow airline and baggage check-in. Private financing may be necessary for this project to become financially feasible.

#### *I-55 Add Lanes and Reconstruction*

This project would reconstruct I-55, add a lane in each direction, and improve interchanges through western Will County, from the I-80 interchange south. This project follows similar projects that have been completed on segments of I-55 farther north. Project planning should include consideration of a managed lane, due to high freight volumes in this area. Planning for portions of the project is currently underway. Per FHWA regulations, the project must be included as a fiscally constrained project before Phase II engineering of the add-lanes portion of the project may begin. Other project elements that do not involve adding a lane on I-55, including interchange improvements or additions, may occur at any time.

#### *I-57 Add Lanes*

This project would add one lane in each direction to I-57 in eastern Will County, from I-80 south to the proposed South Suburban Airport. Project planning for this project is in its early stages.

#### *I-80 Add/Managed Lanes*

This project would add a lane to I-80 through southwestern Cook and Will Counties, from I-294 to the Grundy County line. This may be considered as a managed lane over some or all of its length. This project is in an early stage of planning. (Improvements to a shorter segment of I-80, from US 30 to US 45 in Will County, are in the fiscally constrained portion of *GO TO 2040*.)

#### *I-80 to I-55 Connector*

This project would connect the Illiana Expressway (which has a western terminus at I-55) and Prairie Parkway (which has a southern terminus at I-80). It is contingent on the completion of these other projects.

#### *IL 394*

This project would add lanes to IL 394 from I-80 south in southern Cook and Will Counties, and convert the roadway from an arterial to an expressway. Local officials in the area have expressed concern about the effect of the conversion of the roadway to an expressway on nearby economic development. This project should be examined to determine if operational alternatives to expressway conversion are available. Per FHWA regulations, conversion of the facility to an expressway may not advance to Phase II engineering unless the project is fiscally constrained. However, any operational or arterial-based improvements may occur at any time.

#### *Illiana Expressway*

This project would create a new expressway from I-65 in Indiana to I-55, passing east-west through Will County. Funding for Phase I engineering for the Illiana Expressway -- the next step in development of the project -- is included within the fiscally constrained project list. The inclusion of engineering costs for the Illiana on the fiscally constrained project list demonstrates the region's support for its continued development. The project's construction costs are on the fiscally unconstrained list. The rationale for including construction costs on the unconstrained list is twofold:

- First, while the project's assumptions include tolling of some sort, initial revenue projections show that tolls significantly higher than those charged on the rest of the Tollway system would be necessary to cover construction and maintenance costs. Additional analysis of financing options needs to take place. CMAP also supports state legislation that would allow the use of PPPs for this and other projects. On June 9, 2010, the Governor of Illinois signed legislation authorizing IDOT to "enter into one or more public private agreements with one or more contractors to develop, finance, construct, manage, or operate the Illiana Expressway on behalf of the State." This is a necessary first step; identification of potential private funding sources is now needed.
- Second, the segment of the project between I-55 and I-57 has not been studied and a wide variety of alignments and interchange points with I-55 are possible. The cost of the project, as well as its benefits, is dependent on the option chosen. CMAP supports initiating Phase I engineering for the project in order to narrow the project scope to a few feasible alternatives, and recommends that these activities begin as a high priority.

#### *Inner Circumferential Rail Service*

This project would create a new north-south transit connection through western Cook County, also connecting to both O'Hare and Midway airports. Both this project and the Mid-City Transitway appear to have potential to serve the need for north-south transit travel in central and western Cook County. A feasibility study for this project has been completed, but further

planning is needed to advance it. This project should be evaluated further as part of the continuation of the Cook-DuPage corridor study.

#### *McHenry-Lake Corridor*

This project would create a new expressway through McHenry and western Lake Counties, from the terminus of the US 12 freeway at the Wisconsin border to the upgraded IL 120 roadway (see the Central Lake County corridor project for a further description). This project is in early stages of planning and relies on the completion of the Central Lake County corridor.

#### *Metra BNSF Extension*

This project would extend Metra BNSF service from its current terminus in Aurora to Oswego, in Kendall County. The project is nearly ready to begin Phase I engineering. It has been exempted from the New Starts evaluation process by federal action. However, Kendall County is currently outside of the RTA service area, and should pursue joining the RTA to expedite this project.

#### *Metra Heritage Corridor*

This project would improve operations on the Metra Heritage Corridor, which currently serves southwest Cook and Will Counties. The project includes reducing freight conflicts (including addressing some elements of CREATE), upgrading infrastructure, increasing service levels, and adding stations. Many elements of this project (including those associated with CREATE) are not considered stand-alone major capital improvements and therefore can be pursued at any time. It is currently in early stages of planning.

#### *Metra Electric Extension*

This project would extend Metra Electric service to the proposed South Suburban Airport in Will County from its current terminus in University Park, as well as create a new rail yard facility. Supportive land use planning should accompany this and other transit extension projects.

#### *Metra Milwaukee District North Extension*

This project would extend the Metra Milwaukee District North line to Wadsworth in Lake County from the Rondout junction. A feasibility study for this project has been completed, but further planning is needed to advance it. Supportive land use planning should accompany this and other transit extension projects.

#### *Metra Milwaukee District North Improvement*

This project would improve service along the Metra Milwaukee District North line between Fox Lake and the Rondout junction in Lake County by making track, signal, and other improvements. Many elements of this project are not considered stand-alone major capital improvements and therefore can be pursued at any time. This project is currently in early stages of planning.

#### *Metra Milwaukee District West Extension*

This project would extend the Metra Milwaukee District West line from its current terminus in Elgin to Marengo in McHenry County. An extension along a different route to Hampshire is also under consideration. A feasibility study of the Marengo extension is underway. Supportive land use planning should accompany this and other transit extension projects.

#### *Metra North Central Service Improvements*

This project would upgrade Metra North Central Service to allow for full service levels. This project is currently in early stages of planning.

#### *Metra Rock Island Extension*

This project would extend the Metra Rock Island District line from its current terminus in Joliet to Minooka in Will and Grundy Counties. This project is currently in early stages of planning. Supportive land use planning should accompany this and other transit extension projects. (Improvements to the Rock Island District line which do not include an extension are included among the fiscally constrained projects.)

#### *Metra SouthEast Service Corridor*

This project would create a new rail line that provides service to communities in southern Cook and northern Will Counties. It has been undergoing Alternatives Analysis by Metra, and the identification of a Locally Preferred Alternative is in process. The project should remain a fiscally unconstrained project until such time as a Locally Preferred Alternative is accepted by the FTA and the project demonstrates financial feasibility. The Alternatives Analysis work should include detailed cost estimates; a demonstration of the financial capacity to cover the capital and operating costs; and a financial commitment detailing the availability of state and local funds to match federal New Starts funds. Innovative financing options should also be explored.

#### *Metra SouthWest Service Extension and Full Service*

This project would extend Metra SouthWest Service to Midewin in Will County from its current terminus in Manhattan. This project is currently in early stages of planning. Supportive land use planning should accompany this and other transit extension projects. (Improvements to SouthWest Service which do not include an extension are included among the fiscally constrained projects.)

#### *Metra STAR Line Corridor*

This project would create a new rail service from Joliet to Hoffman Estates through western Will, DuPage, and Cook Counties, and also connect from Hoffman Estates to O'Hare airport along I-90. The project has been undergoing Alternatives Analysis by Metra, and the identification of a Locally Preferred Alternative is in process. Though the project does demonstrate benefits and has strong local support, significant funding issues concerning the STAR Line need to be resolved. As with other strong projects on the unconstrained list, innovative financing options should be considered in the STAR Line corridor. Also, other

options -- such as including a transit component with the I-90 Managed Lanes project, or the O'Hare Schaumburg Transit Service project (which travels along the Elgin O'Hare Expressway rather than I-90) -- should be considered to improve transit service in the larger corridor. In particular, opportunities to initiate bus-based transit service as part of the I-90 Managed Lane project should be strongly considered, even if these serve primarily to test the market and build ridership for a larger capital investment later.

#### *Mid-City Transitway*

This project would create a new north-south transit corridor in the vicinity of Cicero Avenue in central Cook County, and also connecting east to the CTA Red Line. Both this project and the Inner Circumferential Rail Service appear to have potential to serve the need for north-south transit travel in central and western Cook County. The mode of this project is not yet certain, ranging from an on-street BRT service to rail service. This project is in the early stages of planning, and should be evaluated further as part of the continuation of the Cook-DuPage corridor study.

#### *O'Hare to Schaumburg Transit Service*

This project would include both a transit component of the Elgin O'Hare eastern extension (part of the Western Access project on the fiscally constrained list) and a new transit service on IL 53 from the Elgin-O'Hare Expressway to Schaumburg. Project development should be accelerated to attempt to take advantage of the opportunity to plan for this project as part of the Elgin-O'Hare eastern extension, even if the transit service only includes operations (rather than major capital construction) in its early stage.

#### *Prairie Parkway*

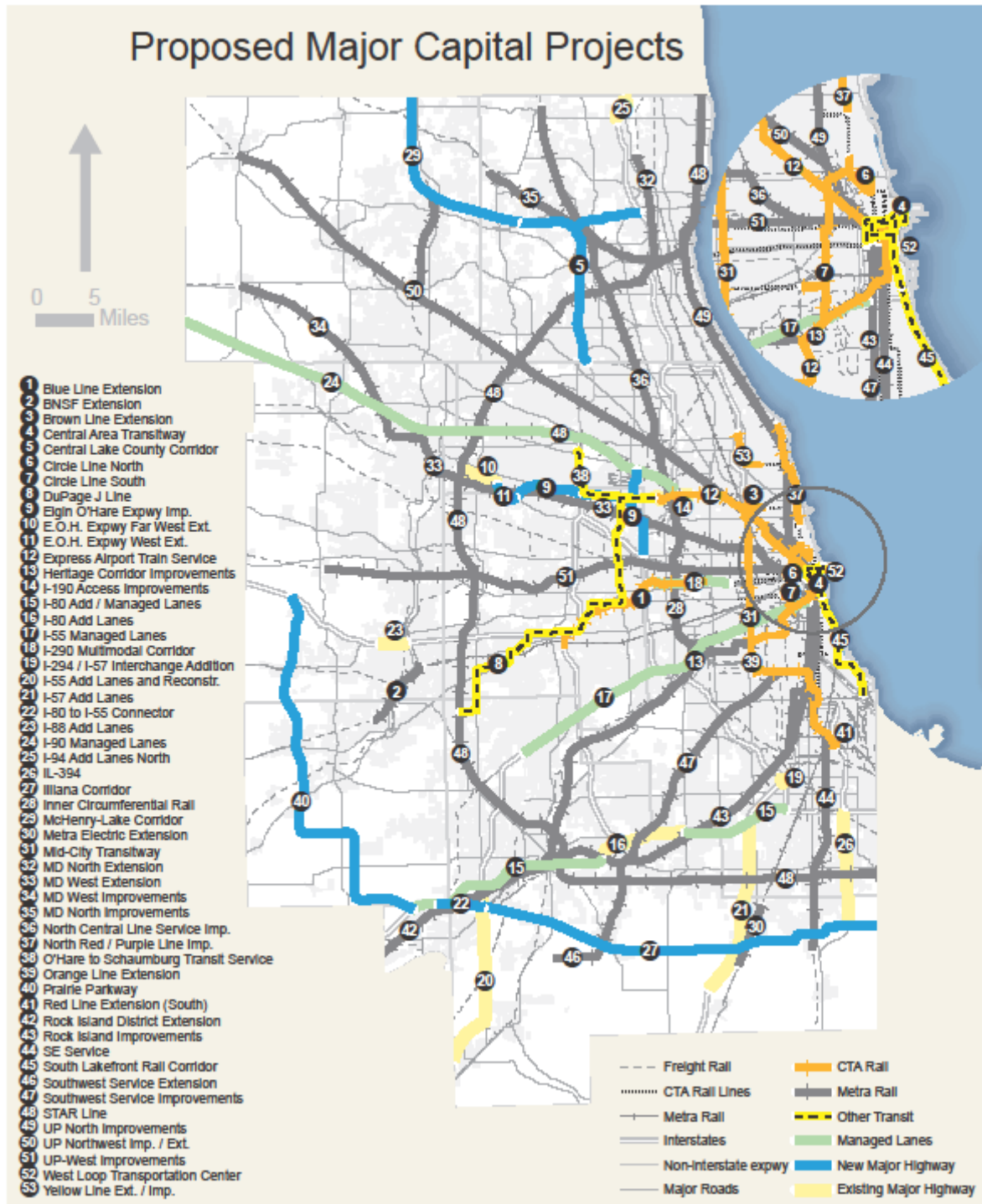
This project would create a new expressway between I-88 and I-80 in Kane and Kendall Counties. Phase I engineering for this project has been completed, and federal earmarks to cover a portion of project costs have been received, but funding is insufficient to construct the entire project. However, one element of this project, involving a bridge over the Fox River in Yorkville to connect US 34 and IL 71, has independent utility and can be completed with the earmarks received. This project element may be pursued at any time. For the remainder of the project, corridor preservation activities should be continued in order to preserve a transportation corridor in this area for future use.

#### *South Lakefront Corridor*

This project would improve service along Chicago's lakefront from downtown Chicago to the south. It could include a new light-rail service or operational improvements to existing Metra services; variations of this concept have been referred to as the Gray Line or the Gold Line. It is recommended service in this area be studied with participation by CDOT, CTA, and Metra, considering whether operational improvements can be made rather than a major capital project.

**Figure 5** is a map of the projects that have been proposed and carried throughout the evaluation process.

Figure 5 Proposed Major Capital Projects



Source: Chicago Metropolitan Agency for Planning, 2010